Hovsepian v. Apple, Inc. Doc. 184

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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re ACACIA MEDIA TECHNOLOGIES CORPORATION	CASE NO. 05 CV 01114 JW MDL No. 1665 **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S LEGAL MEMORANDUM RE THE DEFINITIONS OF CLAIM TERMS FROM THE '863 AND '720 PATENTS AND TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED** **DATE:** September 7-8, 2006 **TIME:** 9:00 a.m. **CTRM:** Hon. James Ware

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I. INTRODUCTION

Plaintiff Acacia Media Technologies Corporation ("Acacia") hereby submits its legal memorandum in support of its definitions for the claim terms from the '863 and '720 patents and for the nine claim terms from the '992 patent for which the Round 3 defendants seek reconsideration of the Court's prior constructions.

The claims at issue from the '863 patent are claims 14-19. Claims 14-19 of the '863 patent are asserted against only the Rounds 2 and 3 cable defendants. Claims 17-19 of the '863 patent are only asserted against the Round 2 satellite defendants. No claims from the '863 are asserted against the Internet defendants.

The claims at issue from the '720 patent are claims 4, 6, 7, 8, and 11. The claims of the '720 patent are only asserted against the Round 2 satellite defendants.

Additionally, because the Round 3 cable defendants were not parties to this MDL proceeding when the Court construed claim terms from the '992 and '702 patents in Markman I and Markman II, the Court has permitted the Round 3 defendants to seek reconsideration of terms from these patents which the Court has already construed. The Round 3 defendants seek reconsideration of nine claim terms from the '992 patent which the Court previously construed.

This brief addresses 29 claim terms and one issue (whether the steps of the method claims only being and occur after a prior step or steps has been completed). In preparation of the Joint Chart, filed concurrently herewith, the parties exchanged their proposed constructions for nearly every term of the claims-at-issue in the '863 and '720 patents, including the order of the steps of each method claim. The parties were able to agree on the constructions of 19 claim terms and issues, as set forth in the concurrently-filed stipulation.

As they did before, the defendants have divided themselves into two groups – (1) the Round 2 Defendants[1], and (2) the Round 3 Defendants[2].

---

[1] For the purposes of the issues involving the '863 and '720 patents, the Round 2 Defendants are the Cable and Satellite defendants whom Acacia sued in the first two rounds of complaints. The Round 2 Defendants are: Comcast Cable Communications, LLC; The DIRECTV Group, Inc.; EchoStar Satellite LLC; EchoStar Technologies Corp.; Charter Communications, Inc.; Armstrong Group; Block Communications, Inc.; East Cleveland Cable TV and Communications LLC; Wide Open

As it did with respect to its brief on the additional claim terms from the '992 and '275 patent claims, Acacia has organized this memorandum to follow the claims at issue in consecutive order as they are presented, first in the '863 patent, then in the '720 patent, and then the reconsideration terms of the '992 patent.

II. CLAIM 14 OF THE '863 PATENT

Claim 14 of the '863 patent is an independent method claim:

> 14. A method of distributing audio/video information comprising:
>
> **[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location**;
>
> **[5] receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system remote from the central processing location**;
>
> **[6] storing the received compressed digitized data representing the complete copy of the at least one item at the local distribution system;**
>
> **[7] in response to the stored compressed, digitized data, transmitting a representation of the at least one item at a real-time rate to [8] at least one of a plurality of subscriber receiving stations coupled to the local distribution system**; and
>
> **[9] decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station**;
>
> **[1] wherein the transmitting step comprises**:

West Ohio LLC; Massillon Cable TV, Inc.; Mid-Continent Media, Inc.; US Cable Holdings LP; Savage Communications, Inc.; Sjoberg's Cablevision, Inc.; Loretel Cablevision; Arvig Communications Systems; Cannon Valley Communications, Inc.; NPG Cable, Inc.; Cable One, Inc.; Mediacom Communications Corp.; Bresnan Communications; Cequel III Communications I, LLC (dba Cebridge Connections); Coxcom, Inc.; Hospitality Network, Inc.; and Cable America, Inc. Although Defendants Insight Communications, Inc. and Bresnan Communications were sued in Round 3, they are joining the Round 2 Defendants' proposed constructions. The Round 1 defendants (the Internet defendants) are not participating in this round of claim construction, because Acacia has not asserted either of the '863 or '720 patents against any Internet defendant.

[2] The Round 3 Defendants are two of the cable company defendants whom Acacia sued in New York in the third round of complaints: Time Warner Cable, Inc. and CSC Holdings, Inc.

[2] inputting an item having information into the transmission system;

[3] assigning a unique identification code to the item having information;

[4] formatting the item having information as a sequence of addressable data blocks;

compressing the formatted and sequenced data blocks;

storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code; and

sending at least a portion of the file at the non-real time rate to the local distribution system.

1. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" and "Wherein the Transmitting Step Comprises" ('863 Patent, Claim 14; '720 Patent, Claim 8)

Acacia	The phrase "compressed, digitized data representing a complete copy of at least one item of audio/video information" means that the data is a reproduction of at least one entire item of audio/video information in a compressed, digitized data form. The term "central processing location" does not require construction, however, it may be described as the principle position or site where processing occurs. The phrase in claim 14 "wherein the transmitting step comprises" refers to the step of "transmitting compressed, digitized data . . .". The use of the open-ended transitional phrase "comprising" means that the transmitting step includes, but is not limited to, the "inputting. . .," "assigning . . .," "formatting . . .," "compressing . . .," "storing, . . .," and "sending . . ." steps listed thereafter and described below as Term Nos. 2-7.
Round 2 Defendants	**Central Processing Location:** Indefinite. (The Round 2 Defendants contend that "central processing location" is indefinite in each claim in which it is used: Claims 14, 17 of the '863 and Claims 8, 11 of the '720 patents). **"transmitting . . . from a central processing location":** This phrase does not require construction. Representing a complete copy of at least one item of audio/video information: Indefinite.
Round 3 Defendants	"Central Processing Location" means: The single (one and only one) location of the transmission system, at which all of the processing of audio/video information by the transmission system is exclusively performed and from which a plurality of "local distribution systems" directly and exclusively

	receive processed audio/video information. The step of "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non real time rate" to at least one "local distribution system" must be exclusively performed at this single central processing location, as must the following steps: "inputting an item having information into the transmission system;" "assigning a unique identification code to the item having information;" "formatting the item having information as a sequence of addressable data blocks;" "compressing the formatted and sequenced data blocks;" "storing, as a file, the compressed, formatted, and sequenced data blocks with the assigned unique identification code;" and "sending at least a portion of the file at the non-real time rate to the local distribution system." **In addition:** "a complete copy of at least one item of audio/video information" means a copy of all of the audio/video information that is contained on one physical item. "compressed, digitized data" means the compressed and sequenced addressable data blocks. [See construction 29 of "sequence of addressable data blocks" below; see construction 5 of "local distribution system" below]

The phrases "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location" and "wherein the transmitting step comprises" appear in claim 14 of the '863 patent.

a) The Phrase "Representing a Complete Copy of at Least One Item of Audio/Video Information" is Not Indefinite

The Round 2 defendants contend that the phrase "representing a complete copy of at least one item of audio/video information," which appears in Claims 14 and 17 of the '863 patent and in Claims 8 and 11 of the '720 patent, is indefinite. The Round 2 defendants have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

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As with any issued patent, the '863 patent is presumed valid and therefore defendants bear the burden of proving facts critical to a holding of indefiniteness by clear and convincing evidence. *Intel Corp. v. Via Techs., Inc.*, 319 F.3d 1357, 1366 (Fed. Cir. 2003). A claim term is indefinite only if those skilled in the art are unable to understand what is claimed when the claim is read in light of the specification. *Bancorp Servs. L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1372 (Fed. Cir. 2004). If, in light of a fully developed record, the claim is amenable to construction, i.e., it is not insolubly ambiguous, it is not invalid for indefiniteness. *Bancorp*, 359 F.3d at 1372.

One of ordinary skill in the art in 1991 would have understood what is meant by this phrase when reading the claim in light of the specification. *Bancorp*, 359 F.3d at 1372. "Representing" has an ordinary meaning of "presenting by means of something standing in the place of: serve as the counterpart or image of." (*Webster's Third New International Dictionary (Unabridged) (1993) (hereinafter "Webster's"*). (See Block Decl. Ex. A). Thus, one of ordinary skill in the art would have understood "representing" to mean that it is the compressed digitized data which *represents* at least one item of audio/video information, i.e., it is at least one item of audio/video information in a compressed, digitized data form, that is transmitted.

b) The Court Should Not Limit an "Item Having Information" to a Physical Object and Should not Limit the "Complete Copy" to All of the Information That is Contained on One Physical Object

The Round 3 defendants contend that "a complete copy of at least one item of audio video/information" means "a copy of all of the audio/video information that is contained on one physical object." Again, as Acacia discussed with respect to the '992 patent terms, there is no limitation that the "item having information" is a "physical object;" it may be a physical object, or it may be a non-physical object, such as a computer file (which itself resides on a physical object or objects, possibly with other computer files).

The fallacy with the Round 3 defendants' proposed construction is that defendants misconstrue an "item having information" as a "physical object." The term "item having information" does not specify whether the item is or is not a "physical object," the specification does not state that an "item having information" is *only* a physical object and the patentees chose *not* to include such a limitation in the claim that the item having information is limited to physical objects.

Defendants contend that "items having information" is limited only to physical objects, because "items having information," as used in Claim 41 of the '992 patent, are stored in the "source material library." But, as discussed below in Section No. 2, neither claims 14 nor 17 of the '863 patent nor its specification require that the "item having information" be input to a source material library. Further, nothing in the specification even requires that the "items having information," whether or not in the source material library, are limited *only* to physical objects. (*See* '863 patent, 5:63-6:4). If the Court were to limit "items having information" to physical objects, then the Court would be impermissibly importing a limitation from the specification into a claim term "items having information" that does not require such limitation. *See, Resonate, Inc. v. Alteon Websystems, Inc.*, 338 F.3d 1360, 1365 (Fed. Cir. 2003) ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.") Further, nothing in claim 14 requires that the complete copy of at least one item of audio/video information be *all* of the information of an "item having information." *Id.*

The Round 3 defendants' inclusion of the limitation that an "item having information" is limited to a physical object and that all of the information contained on the physical object be the "complete copy" invites the Court to ignore one of the basic principles of patent claim construction which holds that the Court must read the claims in the context of the specification and interpret their meaning consistent with the specification.[3] The Federal Circuit made this point in *Renishaw, PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998):

> Ultimately, the interpretation to be given a term can only be determined and confirmed with a full understanding of what the inventors actually invented and intended to envelop with the claim. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 389, 38 U.S.P.Q.2D (BNA) 1461, 1470, 134

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[3] *See, Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1319 (Fed. Cir. 2005) ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil Co. v. American Cyanamid Co.*, 774 F.2d 448, 452 (Fed. Cir. 1985) ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck & Co. v. Teva Pharms. USA, Inc.*, 347 F.3d 1367, 1371 (Fed. Cir. 2003) ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

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> L. Ed. 2d 577, 116 S. Ct. 1384 (1996). The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction. See *Young Dental*, 112 F.3d at 1142, 42 U.S.P.Q.2D (BNA) at 1593 (affirming the district court's claim construction as "a more natural reading of the claim language" than the appellant's construction); *cf. Llewellyn*, *supra* note 2, at 401 ("Plainly, to make any canon take hold in a particular instance, the construction contended for must be sold, essentially, by means other than the use of the canon: The good sense of the situation and a simple construction of the available language to achieve that sense, by tenable means, out of the statutory language."). A claim construction is persuasive, not because it follows a certain rule, but because it defines terms in the context of the whole patent.

c) The Meaning of "Central Processing Location"

The term "central processing location" is not used in the patent specification. There is no requirement that each word in a claim be used in the specification. *Manual of Patent Examining Procedure,* 8th Ed. Rev. No. 4, § 2173.05(e) ("MPEP") ("There is no requirement that the words in a claim must match those used in the specification disclosure. Applicants are given a great deal of latitude in how they chose to define their invention so long as the terms and phrases used define the invention with a reasonable degree of clarity and precision."); *See also, Network Commerce, Inc. v. Microsoft Corp.*, 422 F.3d 1353, 1357 (Fed. Cir. 2005) (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification).

The *Wilson Sporting Goods* case is on point. *See, Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.,* 442 F.3d 1322, 1328 (Fed. Cir. 2006). In *Wilson Sporting Goods*, the claim term "annular" appeared in the claims, but was not used in the patent specification. The court held that, because there was no evidence in the claims or the specification that the inventor intended to impart a novel meaning to "annular" and no evidence that "annular" had a peculiar meaning in the field of art, the court could give "annular" its ordinary and customary meaning:

> This court notes that the adjective 'annular' appears only within the claims, not in the patent specification. Nothing in the specification, including the claims, indicates explicitly or implicitly, that the inventor intended to impart a novel meaning to 'annular.' The record also contains no evidence that 'annular' has a peculiar meaning in the field of art encompassed by the '398 patent. This court concludes, therefore, that the ordinary and customary meaning attributed to this term by those of ordinary skill in this art at the time of invention 'involves little more than the application of [its] widely accepted meaning.' *Phillips*, 415 F.3d at 1314.

Wilson Sporting Goods, 442 F.3d at 1328.

Here, as in *Wilson Sporting Goods* and *Network Commerce*, the meaning of "central processing location" would have been easily understood by persons of skill in the art in 1991 from the context of claim 14 and the patent specification. According to the transmitting step of claim 14: (1) the item having information is input to the transmission system; (2) the compressed, digitized data is sent from "a central processing location," and (3) the compressed digitized data is received by a local distribution system that is remote from the central processing location. Figures 1d, 1e, 1f, and 1g of the '863 patent depict examples of systems having a transmission system 100 that is at a location (or locations) that are remote from one or more local distribution systems (depicted as "reception systems" 200 and 200').

A "processing location" would have been understood by persons of ordinary skill in the art in 1991 as a location (already defined by the Court to mean a site or position) where processing occurs. The "transmitting step" of claim 14 of the '863 patent sets forth a number of processing steps, i.e., inputting, assigning, formatting, compressing and storing, which are described in the specification as occurring in a transmission system. The term "central" means that the "central processing location" is the principal processing location.[4] Thus, from claim 14 and the specification, the term "central processing location" would have been understood by persons of ordinary skill in the art to refer to the location at which the transmission system is located, which is the principal location where processing occurs.

(1) "Central Processing Location" is not Indefinite

The Round 2 defendants contend that the phrase "central processing location" is indefinite. Defendants bear the burden of proving indefiniteness but they have not articulated the reasons why they believe this term is indefinite. Acacia therefore reserves the right to address defendants' specific contentions in its reply brief. Defendants may contend that the phrase "central processing location" is indefinite, because it is not used in the patent specification. This fact, however, does not

[4] The term "central" is defined in *Webster's* as "belonging to the center as the most important part: basic, essential, principal, dominant: not peripheral or incidental: cardinally related."

mean that the term "central processing location" is indefinite.

In *Bancorp*, the claim term "surrender value protected investment credits" did not have a definition in an industry publication and was not defined in the patent specification. The similar term "stable value protected investment credits," however, did appear in the claims and in the specification and its meaning was well-understood by persons of ordinary skill in the art. The district court held that the two terms were not synonyms for each other, and therefore held the patent invalid as being indefinite. The Federal Circuit reversed, finding that the meaning of the term "surrender value protected investment credits" could be discerned from the claims and the specification:

> We agree with Bancorp that the meaning of the term "surrender value protected investment credits" is reasonably discernible and that the asserted claims of the '792 patent are therefore not invalid for indefiniteness. It is true that the entire term "surrender value protected investment credits" is not defined in the patent, and Bancorp has not pointed us to any industry publication that defines the term. Nonetheless, the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.

Bancorp, 359 F.3d at 1372.[5]

As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "central processing location" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

(2) The Court Should Not Add Limitations to the Claim that There is a *Plurality* of "Local Distribution Systems" or that the "Local Distributions" *Directly and Exclusively* Receive Information from the Central Processing Location

The Round 3 defendants contend that the Court should construe the phrase "central processing location" as being the location from which "a ***plurality*** of 'local distribution systems' ***directly and exclusively*** receive processed audio/video information." These limitations are not present in either claim 14 or in the patent specification. The Round 3 defendants are asking the

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[5] Additionally, the Court stated that "[t]he failure to define the term is, of course, not fatal, for if the meaning of the term is fairly inferable from the patent, an express definition is not necessary (although of course the inclusion of a definition would have avoided the need for this time-consuming and difficult inquiry in definiteness). *See All Dental Prodx, LLC v. Advantage Dental Prods., Inc.*, 309 F.3d 774, 780 (Fed. Cir. 2002)" *Bancorp*, 359 F.3d at 1373.

Court to re-write the claim.

Claim 14 is not limited to a plurality of local distribution systems. Claim 14 states that the transmitted information is received at "***a*** local distribution system remote from the central processing system," which means "***one or more*** local distribution systems." *See, Free Motion Fitness, Inc. v. Cybex International, Inc.*, 423 F.3d 1343, 1350-1351 (Fed. Cir. 2005) (construing "a linking cable" as "one or more linking cables" and stating that "the claim term "'a' or 'an' in patent parlance carries the meaning of 'one or more' in open-ended claims containing the transitional phrase 'comprising.'"). The patent specification is also not limited to a plurality of "local distribution systems," because the specification discloses and supports "***one*** or more" local distribution system. (*See,* Figures 1d, 1e 1f, and 1g).

Claim 14 is also not limited to local distribution systems which "directly and exclusively" receive audio/video information from the central processing system. The claim merely states that the information is received at the local distribution system from the central processing location. There is no limitation as to how the local distribution system receives the information from the central processing location, i.e., whether it receives the information directly or indirectly from the central processing location or whether it receives the information exclusively from the central processing location or from some other location in addition to the central processing location. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

Further, the use of the transitional phrase "comprising" in claim 14 means that receiving the information at the local distribution system indirectly from the central processing location or receiving information from locations in addition to the central processing location is not precluded. *See, e.g., Gillette Co. v. Energizer Holdings, Inc.,* 405 F.3d 1367, 1371-1372 (Fed. Cir. 2005) ("The word 'comprising' transitioning from the preamble to the body signals that the entire claim is presumptively open-ended."); *Crystal Semiconductor Corp. v. TriTech Microelectronics Int'l, Inc*., 246 F.3d 1336, 1347 (Fed. Cir. 2001) ("The transition 'comprising' creates a presumption that the recited elements are only a part of the device, that the claim does not exclude additional unrecited elements.")

The Federal Circuit has repeatedly instructed district courts that limitations from the specification are not to be read into the claims. *Comark Communs., Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). "It is a 'bedrock principle' of patent law that 'the claims of a patent define the invention to which the patentee is entitled the right to exclude.'" *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005), *quoting, Innova/Pure Water, Inc. v. Safari Water Filtration Sys., Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004). Courts only interpret what is meant by the words in the claims; courts do not add extraneous limitations or rework claims:

> Kee-Vet also cites this case [*E.I. DuPont de Nemours & Co. v. Phillips Petroleum Co.*, 849 F.2d 1430, 1433 (Fed. Cir. 1988)] but has apparently not taken adequate notice of that section's several times repeated statement to the effect that this court has consistently adhered to the proposition that courts cannot alter what the patentee has chosen to claim as his invention, that limitations appearing in the specification will not be read into claims, and that interpreting what is meant by a word in a claim "is not to be confused with adding an extraneous limitation appearing in the specification, which is improper." The court quoted with approval from *Autogiro Co. of America v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 395-96, 155 U.S.P.Q. (BNA) 697, 701 (Ct.Cl. 1967), the statement that "No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them." The panel found it necessary in *Du Pont* to reverse the district court's interpretation of claims which read into them properties of a polymer which were not recited in the claims. We have to do the same here.

Intervet America, Inc. v. Kee-Vet Laboratories, Inc., 887 F.2d 1050, 1053 (Fed. Cir. 1989).

In addition, claims cannot be limited to devices operated precisely as the embodiment(s) described in the specification; if so, there would be no need for claims. *See, SRI Int'l. v. Matsushita Elec. Corp. of America*, 775 F.2d 1107, 1121 (Fed. Cir. 1985) (*en banc*) ("'[T]hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims.' *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 957, 220 U.S.P.Q. 592, 597 (Fed. Cir. 1983). If everything in the specification were required to be read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment."); *Johnson & Johnston Assocs. v. R.E. Serv. Co.*, 285 F.3d 1046, 1052 (Fed. Cir. 2002) (*en banc*) ("Consistent with its scope definition and notice functions, the claim requirement presupposes that a patent applicant defines his invention in the claims, not in the specification. After all, the claims, not the specification, provide the measure of the patentee's right to exclude."); *McCarty v. Lehigh Valley R.R. Co.,* 160 U.S. 110, 116, 40 (U.S. 1895) ("We know of no principle of law which would authorize us to read into a claim an element which is not present, for the purpose of making out a case of novelty or infringement. The difficulty is that if we once begin to include elements not mentioned in the claim in order to limit such claim …, we should never know when to stop.")

In *Resonate*, the claim at issue included the phrase "transmitting the requested resource to the client." *Resonate*, 338 F.3d at 1365. The district court had held that, because every step of the claim-at-issue was described in detail, the "transmitting" step of the claim must include additional detail, not specified in the claim, e.g., that a load balancer is bypassed by the transmitted requested resource. The Federal Circuit reversed, because the disputed claim language – "transmitting the requested resource to the client" – specified nothing regarding the transmission path over which the requested data must be sent. The patentees' choice not to include such detail in the claims means that a court is not permitted to rewrite the claim to add such missing details:

> The district court's 'level of detail' analysis does not withstand close scrutiny. The patentee's apparent choice not to specify a transmission path from the server to the client led the district court to add a limitation that the requested resource be transmitted directly to the client. But patentees are not required to claim each part of an invention with the same amount of detail; indeed, such a rule likely would prove unworkable. Courts may not rewrite claim language based on what has been omitted from a claim, and the district court's attempt to do so here was legal error. *See K-2 Corp. v. Salomon S.A.,* 191 F.3d 1356, 1364 (Fed. Cir. 1999) ("Courts do not rewrite claims; instead, we give effect to the terms chosen by the patentee."); *Autogiro Co. of Am. v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 396 (Ct. Cl. 1967) ("Courts can neither broaden nor narrow the claims to give the patentee something different than what he has set forth.").

Resonate, 336 F.3d at 1365.

Similarly, in *Hoganas AB v. Dresser Industries, Inc.*, 9 F.3d 948, 950 (Fed. Cir. 1993), the district court interpreted the claim term "straw-shaped" to means "straw-sized." The Federal Circuit reversed, because the "straw-shaped" limitation does not impose any limitation as to size and it was therefore improper for the district court to use the term "straw-shaped" to incorporate a size limitation into the claim:

> It is improper for a court to add "extraneous" limitations to a claim, that is, limitations added "wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim." *E.I. Du Pont de Nemours*

> & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433, 7 USPQ2d 1129, 1131 (Fed. Cir.), cert. denied, 488 U.S. 986, 102 L. Ed. 2d 572, 109 S. Ct. 542 (1988). That appears to be what the district court did, however, by emphasizing the smallness of the fibers. The phrase "straw-shaped" unambiguously relates to shape not size. Thus, it was improper for the court to use that phrase as the vehicle for incorporating a size limitation into the claim.

Hoganas, 9 F.3d at 950.

Accordingly, the Court should not construe the term "central processing location" to include the limitations that there are a plurality of "local distribution systems" or that the local distribution systems directly and/or exclusively receive information from the central processing location, because these limitations are not stated in the claims and are not required to interpret the meaning of term "local distribution system."

2. "Inputting an Item Having Information Into the Transmission System" ('863 Patent, Claim 14 and 17)

Acacia	The phrase "inputting an item having information into the transmission system" means the act of providing an item having information to the transmission system. The term "transmission system" has already been construed by the Court to mean "an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system." In the context of claims 14 and 17 of the '863 patent, the subsequent transmission is to the local distribution system. The transmission system therefore is the system in which the steps of "inputting," "assigning," "formatting," "compressing," "storing," and "sending" occur.
Round 2 Defendants	The phrase "inputting an item having information into the transmission system" in Claims 14 and 17 of the '863 patents is indefinite.
Round 3 Defendants	Placing a physical object containing audio/video information into the source material library of the transmission system. "The transmission system" must be contained at one, and only one, location. The location of "the transmission system" is the "central processing location." [See construction 22 of "transmission system" below]

The phrase "inputting an item having information into the transmission system" appears in claims 14 and 17 of the '863 patent. It is part of the transmitting step.

a) The Meaning of the Term "Inputting"

The term "inputting" in the phrase "inputting an item having information into the transmission system" should be given its ordinary and customary meaning. Nothing in the specification, including the claims, indicates explicitly or implicitly, that the inventors intended to impart a novel meaning to "inputting." There is also no evidence of which Acacia is aware that "inputting" has a peculiar meaning in the field of art encompassed by the '863 patent. Thus, the term "inputting" should be given its ordinary and customary meaning, which "involves little more than the application of [its] widely accepted meaning." *Wilson Sporting Goods*, 442 F.3d at 1328, *quoting*, *Phillips*, 415 F.3d at 1314.

The term "inputting" is widely understood to mean the act of putting in or providing. *See, e.g.*, *Webster's* ("the act, process, or instance of putting in") (see Block Decl. Ex. 2) and *IEEE Standard Dictionary of Electrical and Electronics Terms*, Sixth Ed. (1996) (hereinafter "*IEEE Dictionary*") ("To provide data from an external source") (see Block Decl. Ex. 11).

b) The Term "Inputting" is not Indefinite

The Round 2 defendants contend that the "inputting" step is indefinite. The Round 2 defendants bear the burden of proving indefiniteness, but they have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

One of ordinary skill in the art in 1991 would have understood what is meant by this phrase when reading the claim in light of the specification. *Bancorp*, 359 F.3d at 1372. As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "inputting" when the claims are read in light of the specification, and thus this term is not indefinite.

c) The Court Should Not Import the Limitation of a "Source Material Library" From the Specification into Claims 14 and 17

The Round 3 defendants construe the "inputting" step to require that a physical object[6] containing audio/video information be placed into the source material library of the transmission system. There is no limitation in claim 14 that the transmission system includes a source material library and there is no limitation that the item is placed into a source material library. Claim 14 is silent as to the structural elements of the transmission system and is silent as to where within the transmission system the item is input. The patentees chose to omit these limitations when they drafted the claims. This is consistent with the specification, which states that there is no *requirement* for the transmission system to even have a source material library. (*See, e.g.,* '863 patent, 5:60-62: "A preferred embodiment of transmission system 100 may preferably include only some of the elements shown in FIGS. 2a and 2b.")

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[6] As discussed above in Section No. 1.b. and at the last Markman hearing, the Court should not limit the term "item having information" to "physical objects."

The fact that Figure 2a of the '863 patent depicts a source material library in the transmission system does not operate to limit claims 14 and 17 to include a source material library. *Prima Tek II, LLC v. Polypap,* 318 F.3d 1143, 1148-49 (Fed. Cir. 2003) ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration."), *citing, Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 222 F.3d 951, 956 (Fed. Cir. 2000).

Claim 14 is perfectly understandable to persons skilled in the art without the *limitation* of inputting the item to a source material library. For instance, the item could be input directly to an identification encoder (or to another element(s) capable of assigning a unique identification code; the claim does not specify any specific structure) or to an input receiver of the converter (or to another element(s) capable of formatting; the claim does not specify any specific structure). The item could also be input to a source material library (or another element capable of storage; the claim does not specify). *See, Resonate,* 338 F.3d at 1365; *Hoganas,* 9 F.3d at 950; *Nazomi Communications, Inc. v. ARM Holdings, PLC,* 403 F.3d 1364, 1369 (Fed. Cir. 2005) ("[T]he court may conclude that the scope of the various claims may differ, some embracing different subject matter than is illustrated in the specific embodiments in the specification."), *citing, Va. Panel Corp. v. MAC Panel Co.,* 133 F.3d 860, 866 (Fed. Cir. 1997) ("Device claims are not limited to devices which operate precisely as the embodiments described in detail in the patent.")

The point is that there is no limitation or requirement in the claims that the item be input to a source material library, and the Court should not add such a limitation where no such limitation exists in the claims (because the patentees chose to omit such a limitation) or in the specification. This was the holding in *Teleflex, Inc. v. Ficosa N. Am. Corp.,* 299 F.3d 1313, 1327 (Fed. Cir. 2002).

In *Teleflex*, the district court, relying on the patent specification, construed the claim term "clip" to mean "a structure that has a single pair of legs." *Id.*, at 1319. On appeal, Teleflex contended that the court erred by importing limitations from the specification into the claims and contended that the term "clip" should be construed to mean "any device, of any shape, that holds two things together and also performs the functions of being manually insertable into and manually removable from a locked position." *Id.*, at 1324. The Federal Circuit agreed with Teleflex that the district court had erred by importing limitations from the specification:

> In this case, nothing in the intrinsic evidence indicates that "clip (28)" should be limited to "a single pair of legs." The language of asserted claim 1 does not support limiting the claim to a "single pair of legs." Neither "single" nor "pair of legs" appears in claim 1. Neither the specification nor the prosecution history includes an expression of manifest exclusion or restriction demonstrating an intent to limit "clip (28)" to a single pair of legs. The term "clip" is not defined in the specification or in the prosecution history, and although the specification describes only one embodiment of the clip, no "clear statements of scope" limit the term "clip" to having a "single pair of legs." Furthermore, the ordinary meaning of "clip" is not restricted to having a "single pair of legs." The expert witnesses for Ficosa agreed that the ordinary meaning of "clip" is broad enough to encompass the accused Ficosa device in this case.
>
> The district court thus erred by importing the "single pair of legs" limitation from the specification into the claim. Instead of using the specification as context, the district court apparently limited the "clip (28)" recited in claim 1 to the embodiment described in the specification. We have "cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification." See *Comark*, 156 F.3d at 1186, 48 U.S.P.Q.2D (BNA) at 1005 (quoting *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 805 F.2d 1558, 1563, 231 U.S.P.Q. 833, 835 (Fed. Cir. 1986)). The specification describes only one embodiment of the claimed "clip (28)," but in the circumstances of this case the record is devoid of "clear statements of scope" limiting the term appearing in claim 1 to having "a single pair of legs." Absent such clear statements of scope, we are constrained to follow the language of the claims, rather than that of the written description. See *SRI*, 775 F.2d at 1121, 227 U.S.P.Q. at 585. To the extent that the district court construed the term "clip" to be limited to the embodiment described in the specification, rather than relying on the language of the claims, we conclude that the district court construed the claim term "clip (28)" too narrowly. We construe the term "clip (28)" in claim 1 to mean a structure that provides the dual functions of disposing the clip around and holding the female member through the slots in the female member and extending through the slots into the groove in the male member to lock the members together.

Teleflex, 299 F.3d at 1327-1328.[7]

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[7] *See also, Transmatic, Inc. v. Gulton Indus., Inc.*, 53 F.3d 1270, 1278 (Fed. Cir. 1995) ("[T]he

In this case, claim 14 is broader than the embodiment in the specification, because claim 14 does not state that the transmission system includes a source material library and does not state that the item is input to the source material library of the transmission system. *See, e.g.*, *Resonate,* 338 F.3d at 1364-65 ("[T]he written description is not a substitute for, nor can it be used to rewrite, the chosen claim language. Though understanding the claim language may be aided by the explanations contained in the written description, it is important not to import into a claim limitations that are not a part of the claim. For example, a particular embodiment appearing in the written description may not be read into a claim when the claim language is broader than the embodiment."), *citing*, *Electro Med.*, 34 F.3d 1048.

Further, according to the specification, the source material library exists in the transmission system as part of the *preferred embodiment* of the transmission system:

> FIGS. 2a and 2b are detailed block diagrams of preferred implementations of the transmission system of the present invention.

('863 patent, 3:26-28).

> FIG. 7 is a flowchart of a preferred method of distribution of the present invention.

('863 patent, 3:39-40).

> DESCRIPTION OF THE PREFERRED EMBODIMENTS

('863 patent, 3:46-47).

> FIGS. 2a and 2b illustrate detailed block diagrams of preferred

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district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle. The court also considered significant the apparent different air flow characteristics of the patented and accused devices. Again, this consideration was irrelevant because the claim contains no limitations regarding air flow."); *Prima Tek II,* 318 F.3d at 1149 ("The district court construed the claim language 'floral holding material' to mean 'a three-dimensional solid, semi-solid, or granular material capable of giving support to individual flowers when their stems are inserted into the material,' and required that the flower stems be 'inserted into and through' the floral holding material. For the reasons given below, we conclude this construction was erroneous. Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims. Instead, all of the claims at issue require that the 'floral holding material' be constructed of 'material capable of receiving a portion of the floral grouping and supporting the floral grouping without any pot means.' '856 patent, col. 8, ll. 19-22. The claim language does not require that the stem end of the flower be inserted into and through the floral holding material.")

> implementations of the transmission system 100 of the present invention.… A preferred embodiment of transmission system 100 may preferably include only some of the elements shown in FIGS. 2a and 2b.

(‘863 patent, 5:55-57; 5:60-62).

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for temporary storage of items prior to conversion and storage in a compressed data library means.

(‘863 patent, 5:63-66).

> Figure 7 is a flow chart 400 of a preferred method of distribution of the present invention.… As illustrated in FIG. 7, the first step of the distribution method 400 involves retrieving the information for selected items in the source material library 111, upon a request by a user of the distribution system (step 412).

(‘863 patent, 17:62-63; 18:1-4).

> Other embodiments of the invention will be apparent to those skilled in the art from consideration of the specification and practice of the invention disclosed herein. It is intended that specification and examples be considered exemplary only, with the true scope and spirit of the invention being indicated by the following claims.

(‘863 patent, 19:19-25).

The Court therefore cannot construe the “inputting” step of claim 14 to require that the transmission system has a source material library and that the item having information is input to a source material library of the transmission system, because to do so would improperly limit claim 14 to a *preferred embodiment* of the invention. The Federal Circuit has repeatedly made clear that preferred embodiments appearing in a specification will not be read into a claim:

> Claims speak to those skilled in the art. *See Specialty Composites v. Cabot Corp.*, 845 F.2d 981, 986, 6 U.S.P.Q.2D (BNA) 1601, 1604 (Fed. Cir. 1988). When the meaning of words in a claim is in dispute, the specification and prosecution history can provide relevant information about the scope and meaning of the claim. *Id*. at 986, 6 U.S.P.Q.2D (BNA) at 1604. However, claims are not to be interpreted by adding limitations appearing only in the specification. See *Intervet Am. v. Kee-Vet Lab.*, 887 F.2d 1050, 1053, 12 U.S.P.Q.2D (BNA) 1474, 1476 (Fed. Cir. 1989) (“No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them.”) (quoting with approval *Autogiro Co. of Am. v. United States*, 181 Ct. Cl. 55, 384 F.2d 391, 395-96, 155 U.S.P.Q. (BNA) 697, 701 (Ct. Cl. 1967)). Thus, although the specifications may well indicate that certain embodiments are preferred, particular embodiments appearing in a specification will not be read into the claims when the claim language is broader than such embodiments. *See Specialty*, 845 F.2d at 987, 6 U.S.P.Q.2D (BNA) at 1605 (“Where a specification does not require a limitation, that limitation should not be read from the specification into the claims.”).

Electro Medical Sys., S.A. v. Cooper Life Sciences, 34 F.3d 1048, 1054 (Fed. Cir. 1994); *Laitram Corp. v. Cambridge Wire Cloth Co.*, 863 F.2d 855, 865 (Fed. Cir. 1988) ("References to the preferred embodiment, such as those often present in a specification, are not claim limitations."); *Texas Instruments, Inc. v. U.S. International Trade Com.*, 805 F.2d 1558, 1563 (Fed. Cir. 1986) ("This court has cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification."); *Mantech Environmental Corp. v. Hudson Environmental Servs., Inc.*, 152 F.3d 1368, 1374-75 (Fed. Cir. 1998) ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper. . . The district court erred because it, in essence, incorporated from the preferred embodiment into the claims a narrow definition for the claim term 'well,' as 'a structure used for both monitoring and injecting groundwater.' CleanOX, slip op. at 43 (emphasis added). In the context of the written description and the claims, however, it is clear that the term 'well' has a more inclusive meaning than that given by the district court; as used in the patents, a 'well' is a structure connecting the surface to the groundwater that can either monitor or inject, or both, but it need not do both.")

3. "Assigning a Unique Identification Code to the Item Having Information" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "assigning a unique identification code to the retrieved information" has already been construed by the Court in the context of claims 1 and 41 of the '992 patent to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes." In the context of claims 14 and 17 of the '863 patent, the identifier is assigned to the item having information. In the context of claim 14 of the '863 patent, this phrase means that the identifier identifies the information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the identifier identifies the information through the formatting and compressing processes.
Round 2 Defendants	In the context of claims 14 and 17 of the '863 patent, the one-of-a-kind identifier is assigned to the item having information. In the context of claim 14 of the '863 patent, this phrase means that the one-

	of-a-kind identifier identifies the item having information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the one-of-a-kind identifier identifies the item having information through the formatting and compressing processes.
Round 3 Defendants	"Assigning a unique identification code to the item having information" means "assigning a one-of-a-kind identifier to the item having information that identifies the item." This step must be performed by the identification encoder of the transmission system, and the identification encoder must also transform the information in the items into an analog or digital format. [See construction 32 of "items having information" below]

The phrase "assigning a unique identification code to the item having information" appears in claims 14 and 17 of the '863 patent.

This phrase is similar to the phrase of claim 41 of the '992 patent: "assigning a unique identification code to the retrieved information." Claim 41 of the '992 patent differs from claims 14 and 17 of the '863 patent in that claim 41 includes the steps of storing items having information in a source material library and retrieving information from the items having information. These steps are not present in either claim 14 or 17 of the '863 patent.

In Markman I, the Court construed the phrase "assigning a unique identification code to the retrieved information":

> Accordingly, the Court construed the function "assigning a unique identification code to the retrieved information" to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes."

(Markman I, at 14:14-17).

No party, including the Round 2 defendants, sought reconsideration of the Court's construction of "assigning a unique identification code to the retrieved information" and thus none of the Round 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Court's construction for this phrase is applicable to the similar phrase in claims 14 and 17, except that in the context of claim 14 of the '863 patent, this phrase means that the identifier identifies the information through the formatting, compressing, and storing processes. In the context of claim 17 of the '863 patent, this phrase means that the identifier identifies the information through the formatting and compressing processes.

The Round 3 defendants contend that the unique identification code identifies the item and contend that the item is a physical object. The Round 3 defendants' construction is inconsistent with the express language of claims 14 and 17, both of which state that the file, which includes the compressed, formatted, and sequenced data blocks, is stored with the assigned unique identification code, not the item.

(1) The Court Should Not Import the Limitation of an "Identification Encoder" From the Specification into Claims 14 and 17

The Round 3 defendants further contend that the "assigning a unique identification code" step must be performed by the identification encoder of the transmission system. Just like the "inputting" step discussed above, there is no limitation in claims 14 or 17 that the transmission system includes an identification encoder or that the step of assigning the unique identification code is performed by an identification encoder; the patentees chose not to include these limitations in the claim. The Court therefore cannot import the "identification encoder" limitation from the specification into claims 14 and 17. *See, Teleflex*, 299 F.3d at 1327-28; *Resonate*, 338 F.3d at 1364-65.

Further, according to the specification, the identification encoder exists in the transmission system as part of the *preferred embodiment* of the transmission system. (*See,* '863 patent, 3:26-28; 3:39-40; 3:46-47; 5:55-57; 5:60-62; 17:62-63; 18:11-15; and 19:19-25). The Court also cannot limit claims 14 and 17 to the preferred embodiment. *See, e.g., Electro-Med,* 34 F.3d at 1054; *Laitram,* 863 F.2d at 865; *Texas Instruments,* 805 F.2d at 1563; *Mantech*, 152 F.3d at 1374-75.

The Round 3 defendants' construction is improper for the additional reason that it seeks to import structure into a method claim step where the patentees chose not to recite any structure. Claims 14 and 17 recite "assigning a unique identification to the item having information." No structure is recited in this method step for performing this method. This is entirely proper and the Court cannot import structure from the specification into these claims for performing this step. The

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facts here are similar to those in *Epcon Gas Sys., Inc. v. Bauer Compressors, Inc.*, 279 F.3d 1022, 1032 (Fed. Cir. 2002). In *Epcon,* the claim-at-issue was a method claim that included a step of "venting." Although the claim did not specify the structure by which the venting step was to be performed, the district court construed the step of "venting" to require that separate valves perform the venting functions. The Federal Circuit reversed on the grounds that the district court had improperly imported a limitation from the specification:

> The method of claim 2 does not mention structure by which the 'venting' is to be performed. Thus, Epcon is correct that the district court improperly imported language from the specification into the claim.

Epcon Gas Sys., 279 F.3d at 1032; *See also, Resonate,* 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

The Round 3 defendants further contend that the identification encoder "must also transform the information in the items into an analog or digital format." There is no such limitation either in claims 14 or 17 or in the specification of the '863 patent and therefore the Court should not add this limitation to the method steps of claims 14 and 17. *Id.* There is thus no need for the Court to include this limitation, as the phrase at issue relates to the step of "assigning a unique identification code," not to a step of transforming information from the items.

4. "Formatting the Item Having Information as a Sequence of Addressable Data Blocks" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "formatting the item having information as a sequence of addressable data blocks" means the act of converting the format of the information from the item and placing the formatted information into time encoded data blocks.
Round 2 Defendants	The phrase "formatting the item having information as a sequence of addressable data blocks" means converting the format of the item into a sequence of addressable data blocks.

Round 3 Defendants	"Formatting the item having information as a sequence of addressable data blocks" means "operating on the physical object itself to create a sequence of addressable data blocks" [See construction 36 of "sequence of addressable data blocks" below.]

The phrase "formatting the item having information as a sequence of addressable data blocks" appears in claims 14 and 17 of the '863 patent.

This phrase uses both the terms "formatting" and "sequence of addressable data blocks," and therefore this step of claims 14 and 17 includes both the steps of formatting and sequencing. This is evident from the fact that the next phrase of claims 14 and 17 refers to the data blocks from the formatting step as being both formatted and sequenced: "compressing the *formatted and sequenced* data blocks."

The specification identifies "formatting" as converting the format of the information to the predetermined format after the item having information is input to the input receiver in either digital or analog format:

> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. *Formatter 125 outputs the data in a predetermined format.*
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. *Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.*

('863 patent, 6:62-7:11; emphasis added).

The specification further describes how the formatted information (output from the converter 113) is then placed into a sequence of addressable data blocks, i.e., by time encoding:

> Incoming signals are input and converted in sequence, starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data. *Time encoding by time encoder 114 is achieved by assigning relative time markers to the audio and video data as it passes from the converter 113 through the time encoder 114 to the precompression processor 115.*

('863 patent, 8:2-9).

The Round 3 defendants contend that this step requires "operating on the physical object itself to create a sequence of addressable data blocks." The Round 3 defendants ignore the portion of their own definition for "items having information," which requires that the physical object *contain information*. Obviously, the physical object itself (e.g., the plastic tape or disk) is not formatted and sequenced; it is the *information* contained on the tape or disk that is formatted and sequenced. This is what is described and taught in the specification, which the Round 3 defendants also ignore. (*See,* '863 patent, 6:64-7:11). The Round 3 defendants' inclusion of the limitation that the formatting step requires "operating on the physical object itself" invites the Court to commit legal error by giving the claim a construction that is inconsistent with the specification, when a construction that is consistent with the specification is available. *Renishaw,*158 F.3d at 1250 (Fed. Cir. 1998); *Medrad*, 401 F.3d at 1319; *Standard Oil Co.*, 774 F.2d at 452; *Merck*, 347 F.3d at 1371.

5. "Receiving the Transmitted Compressed, Digitized Data Representing a Complete Copy of the at Least One Item of Audio/Video Information, at a Local Distribution System, Remote From the Central Processing Location" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system, remote from the central processing location" means the act of receiving the reproduction of at least one entire item of audio/video information in a compressed, digitized data form at a local distribution system. The local distribution system is an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station.
Round 2 Defendants	The term "representing" is indefinite. **Local Distribution System:** Satellite Defendants:[8]

[8] Defendants EchoStar Satellite LLC, EchoStar Technologies Corporation, and The DIRECTV Group, Inc. contend that "local distribution system" should be construed according to the above proposed construction. The other Round 1 & 2 Defendants contend that the phrase is indefinite.

	An assembly of elements, hardware and software, at a local geographic region (such as a town or city), functioning together to receive, store, decompress, and transmit audio and video information to subscriber receiving stations[9] confined to that same local geographic region. Round 1 & 2 Cable Defendants: Indefinite
Round 3 Defendants	The Round 3 defendants agree with Acacia's construction of "local distribution system" as "an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station."

The phrase "receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information, at a local distribution system, remote from the central processing location" appears in claims 14 and 17 of the '863 patent.

a) The Meaning of "Local Distribution System"

This phrase states that the "compressed, digitized data representing a complete copy of the at least one item of audio/video information" that was transmitted is received "at a local distribution system."

The term "local distribution system" is not used in the specification, however, its meaning would have been understood by persons of ordinary skill in the art in 1991 from the context of the claims and specification and the ordinary meaning of its constituent terms. *See,* MPEP, § 2173.05(e) ('There is no requirement that the words in a claim must match those used in the specification disclosure."); *Network Commerce*, 422 F.3d at 1357 (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification); *Wilson Sporting Goods*, 442 F.3d at 1328 (construing the claim term "annular," which appeared in the claims, but was not used in the patent specification, to have its ordinary meaning.)

From the context of the claim, it is apparent that the functions of the "local distribution

[9] Defendants contend that the phrase "subscriber receiving stations" is otherwise indefinite.

system" are to: (1) receive information sent from the central processing location; (2) store the received information; (3) decompress the compressed, digitized data; and (3) transmit a representation of the stored information to at least one of a plurality of subscriber receiving stations. Such systems are depicted and described in the specification of the '863 patent at 4:13-5:29; 17:18-61; Figures 1d-1g and 6.

The Court has already construed the phrases transmission system and receiving system. In construing each, the Court gave the terms the meaning of "an assembly of elements, hardware and software, that function together" to perform functions described in the pertinent claim language. (*See*, Markman I, at 28:11-13 and 28:21-22).

The same is true for the "local distribution system," which in the context of claim 14 is "an assembly of elements, hardware and software, that function together to receive transmitted data, store the data, decompress the data, and transmit the data to at least one subscriber receiving station."

(1) The "Local Distribution System" Does Not Include Any Limitations Regarding "Local Geographic Regions"

The Round 2 Satellite defendants agree in most part with Acacia's construction for "Local Distribution System," except that they seek to include the limitations that: (1) the local distribution system is located at a local geographic region (such as a town or city), and (2) that the local distribution system only transmits information to subscriber receiving stations confined to that same local geographic region.

Nothing in claims 14 or 17 indicate that these claims are limited to local distribution systems that transmit to only subscriber receiving stations in a defined geographic region, such as a town or city. Such a limitation would be inconsistent with the specification, which specifically *includes* satellite broadcasting (to broad geographic regions, not limited to specific towns or cities) as one of the possible communication channels for transmitting compressed, digitized information. (*See*, '863 patent, Abstract, 4:59-61; 15:29-33; 16:17-23; Figure 1g). Claims 14 and 17 are silent as to any particular communication channel, and therefore claims 14 and 17 include satellite broadcasting.[10]

As nothing in claims 14 and 17 exclude satellite broadcasting and nothing limits the "local distribution system" to transmit to only defined geographic locations, the Court cannot impose this limitation on claims 14 and 17. *See, e.g., Transmatic, Inc. v. Gulton Indus.*, 53 F.3d 1270, 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims.")

(2) The Term "Local Distribution System" is Not Indefinite

The Round 2 Cable defendants contend that the phrase "local distribution system" is indefinite. Defendants bear the burden of proving indefiniteness, but have not articulated the reasons why they contend that the term is indefinite. Acacia therefore reserves the right to address defendants' specific contentions in its reply brief.

Defendants may contend that the phrase "local distribution system" is indefinite because it is not used in the patent specification. This fact, however, does not mean that the term "local distribution system" is indefinite. *See, Bancorp*, 359 F.3d at 1372 (holding that claim term "surrender value protected investment credit," which was not defined in industry publications or in the patent specification was not indefinite, because "the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.")

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[10] No defendant contends that claims 14 or 17 exclude satellite broadcasts, because none could make such a contention. These claims do not recite any particular communication channel, and the absence of a recitation in the claim of a communication channel means that any communication channel (consistent with the support in the specification) is covered by these claims. *See, e.g., Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

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As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "local distribution system" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

6. "Storing the Received Compressed Digitized Data Representing the Complete Copy of the at Least One Item at the Local Distribution System" ('863 Patent, Claims 14 and 17)

Acacia	The phrase "storing the received compressed digitized data representing the complete copy of the at least one item at the local distribution system" means "storing a copy such that all of the received data is in storage at the same time."
Round 2 Defendants	The phrase "storing . . . the complete copy of the at least one item" means "storing a copy such that all of the received data is in storage at the same time."
Round 3 Defendants	All of the received compressed, sequenced addressable data blocks representing the complete copy of the at least one item is in the same storage device in the local distribution system at the same time. [See construction 29 of "sequence of addressable data blocks" below.]

This phrase states that the "compressed, digitized data representing a complete copy of the at least one item of audio/video information" is stored at the location distribution system. Storing received information at local distribution system before it is transmitted to subscribers is described and depicted in the specification. ('863 patent, 4:36-42; 4:62-5:7; 5:19-29; Figures 1f and 6).

Acacia and the Round 2 defendants agree on the construction of this phrase. There is substantial agreement with the Round 3 defendants, except that the Round 3 defendants add a limitation that the complete copy is stored "in the same storage device" in the local distribution system. The limitations of a "storage device" and of storing the complete copy "in the same storage device" are not in the claim and are not in the specification. The Court should not add these limitations. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

7. "In Response to the Stored Compressed, Digitized Data, Transmitting a Representation of the at Least One Item at a Real-Time Rate" ('863 Patent, Claim 14, '720 Patent, Claim 8)

Acacia	The phrase "transmitting a representation of the at least one item" means the act of transmitting a reproduction of the item. In the context of claim 14 of the '863 patent, the "representation of the at least one item" means that the reproduction of the item is in a decompressed format. The phrase "in response to the stored compressed, digitized data" means that the representation of the item is transmitted after the compressed, digitized data has been stored at the local distribution system.
Round 2 Defendants	The phrase "in response to the stored compressed, digitized data" means that information in the stored, compressed digitized data triggers the transmission. **Representation:** Indefinite. (The Round 2 Defendants contend that "representation" is indefinite in each claim in which it is used: Claims 14 and 17 of the '863 and Claims 4, 8, and 11 of the '720 patents).
Round 3 Defendants	Information in the "stored compressed, digitized data" triggers the local distribution system to send "a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber receiving stations." [See construction 1 of "non-real time rate" above]

The phrase "in response to the stored compressed, digitized data, transmitting a representation of the at least one item at a real time rate. . ." appears in claim 14 of the '863 patent.

a) The Meaning of "Transmitting a Representation of the at Least One Item"

The phrase-at-issue includes the phrase "transmitting a representation of the at least one item." As discussed above in Section No. 1.b., the compressed, digitized data that is transmitted represents the item having information when it was input to the transmission system, i.e., it is a reproduction of the item having information in a compressed, digitized data form.

Claim 14 adds additional context and understanding to the meaning of "a representation of the at least one item." The next step of the claim states: "decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system *to produce the representation of the at least one item* for transmission to the at least one subscriber station."

Thus, the representation that is described in this phrase of claim 14 as being "a representation of the at least one item" was produced from the compressed, digitized data that was received at the local distribution system by decompressing the compressed, digitized data.

(1) The Term "Representation" is Not Indefinite

The Round 2 defendants contend that the term "representation" is indefinite. The Round 3 defendants do not offer a separate construction for "representation."

Although they bear the burden of proof, the Round 2 defendants have not yet articulated the reason why they believe that the term "representation" is indefinite. Acacia therefore reserves the right to respond to defendants' specific contentions in its reply brief. One of ordinary skill in the art in 1991 would have understood what is meant by the term "representation" when reading the claim in light of the specification. *Bancorp,* 359 F.3d at 1372. "Representation" has an ordinary meaning of "reproduction."[11] Claim 14 itself informs persons of ordinary skill in the art that the representation of the at least one item for transmission to the at least one subscriber station is formed in the step of decompressing the compressed, digitized data representing the at least one item of audio/video information. Further, the specification supports and describes how methods, such as that of claim 14 wherein the compressed, digitized data is decompressed at a distribution system (referred to and depicted as a "reception system" in the specification):

> The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or *uncompressed* data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.
>
> With respect to the transmission and receiving systems set forth in FIGS. 1a-1g, the requested material may be fully compressed and encoded, partly decompressed at some stage in transmission system 100, or fully decompressed prior to transmission. The reception systems 200 may either buffer the requested material for later viewing, or *decompress in real time the requested material as it is distributed by transmission system 100*. Alternatively, the reception systems 200 of the present invention may perform a combination of buffering and non-buffering by buffering some of the requested material and *decompressing the remainder of the requested material for immediate viewing as it is distributed by transmission system 100*.

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[11] *Webster's* defines "representation" to mean "a likeness, picture, model, or other reproduction."

('863 patent, 4:56-5:7; emphasis added)

b) The Meaning of "In Response to the Stored Compressed, Digitized Data, Transmitting. . ."

The phrase-at-issue further states that the transmission of the representation of the at least one item occurs "in response to the stored compressed, digitized data." This phrase means that the representation of the at least one item is transmitted *after* the complete copy of the compressed, digitized data has been received by and stored at the local distribution system.

The specification of the '863 patent states that in systems such as those being claimed in claims 14 and 17, i.e., those having a storage device in a local distribution system (depicted in Figures 1d-1g), the information may either be: (1) buffered such that the user receives the requested material at a delayed time, (2) decompressed in real time as the information is being transmitted and received in the local distribution system, or (3) partially buffered so that some of the information is buffered, while the remainder of the information is decompressed for immediate viewing:

> With respect to the transmission and receiving systems set forth in FIGS. 1a-1g, the requested material may be fully compressed and encoded, partly decompressed at some stage in transmission system 100, or fully decompressed prior to transmission. The reception systems 200 may either buffer the requested material for later viewing, or decompress in real time the requested material as it is distributed by transmission system 100. Alternatively, the reception systems 200 of the present invention may perform a combination of buffering and non-buffering by buffering some of the requested material and decompressing the remainder of the requested material for immediate viewing as it is distributed by transmission system 100.

('863 patent, 4:56-5:7; emphasis added).

Claim 14 states that a complete copy of the received compressed digitized data is stored at the local distribution system and states that, in response to the stored compressed, digitized data, the representation of the item (in its decompressed form) is transmitted. Thus, the claim is describing only the "buffered" embodiment of the specification (No. 1, above). The phrase "in response to the stored compressed, digitized data" is therefore expressing that all of the compressed, digitized data is stored at the local receiving system before it is transmitted to at least one of the subscriber receiving stations. It is also expressing that the two other embodiments – decompressing in real time without any buffering and partially buffering and decompressing the remainder of the information – are not covered by this claim.

Thus, consistent with the description of the "buffering" embodiment in the specification, the stored compressed, digitized data is transmitted to users only *after* all of the received compressed, digitized data representing a complete copy of the at least one item has been received and stored in its entirety at the local distribution system. *See, Renishaw*, 158 F.3d at 1250 ("The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction."); *Medrad,* 401 F.3d at1319 ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil*, 774 F.2d at 452 ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck*, 347 F.3d at 1371 ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

Both groups of defendants contend that the phrase "in response to" means that the information in the stored, compressed, digitized data "triggers" the transmission of the stored data from the local distribution system to the subscriber stations. Nothing in the claim or the specification indicates that "in response to" means "triggers". Defendants' construction is also inconsistent with the ordinary meaning of the term "response." *Webster's* defines "response" as "an act or action of responding (as by an answer): a responsive or corresponding act or feeling: a responding to a motive force or situation: REACTION." (See Block Decl. Ex. 3). "Triggers" is not one of the meanings of "response."

8. "At Least One of a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 14)

Acacia	The term "subscriber receiving station" means "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive a representation of an item of audio/video information" The term "coupled to" has already been construed by the Court to mean that two elements are directly attached to one another such that using a diskette to transfer information from one to another would mean that the two elements

	are not "coupled to" one another.
Round 2 Defendants	**"Subscriber Receiving Stations":** Indefinite. (The Round 2 Defendants contend that "subscriber receiving station" is indefinite in each claim in which it is used: Claims 14 and 17 of the '863 patent).
Round 3 Defendants	A "subscriber receiving station" is a subscriber device on which playback can occur - a device which itself can display video content or play audio content directly to a user, such as a television or radio. The Court has previously construed "coupled to" to mean "directly connected to or attached to." One example the Court gave as evidencing that two elements are not "coupled to" each other is the need to use a disk to transfer information from one to the other. [See, Markman I at 22-23.]

The phrase "at least one of a plurality of subscriber receiving stations coupled to the local distribution system" appears in claim 14 of the '863 patent.

Claim 14 states that the representation of the at least one item that is transmitted from the local distribution system is transmitted to "at least one subscriber receiving station." Although the term "subscriber receiving station" is not used in the patent specification, its meaning would have been easily understood to one of ordinary skill in the art in 1991 from the context of the claim when read in light of the specification. *See,* MPEP, § 2173.05(e) ('There is no requirement that the words in a claim must match those used in the specification disclosure."); *Network Commerce,* 422 F.3d at 1357 (construing the term "download component" which was not used in the specification by reference to the context of the claims and the teachings in the specification); *Wilson Sporting Goods*, 442 F.3d at 1328 (construing the claim term "annular," which appeared in the claims, but was not used in the patent specification, to have its ordinary meaning.)

The term "station" has an ordinary meaning of "a complete assemblage of radio or television equipment including antenna, transmitting or receiving set, and signal making or reproducing device." *Webster's*. (See Block Decl. Ex. 4). In the context of the phrase "subscriber receiving station," the term "station" refers to the receiving set and reproducing device. The specification describes a system, depicted in Figure 6 and described at 17:18-61, which includes the equipment described as part of a "station," e.g., an antenna (inherent in the description of the system as using common communication channels such as cable television, broadcast television, or broadcast satellite and explicitly described as modems and data couplers at 16:12-16), a receiving set (the transceiver 201), and the signal reproducing device (the receiver format converter 202, the data formatter 204, the decompressors 208, 209, the converters 206, 211-214, and the playback device (such as the television or the audio amplifier)). Thus, consistent with the specification, the ordinary meaning of "station," and the Court's prior construction for "reception system," the "subscriber receiving station" is "an assembly of elements, hardware and software, capable of functioning together to receive a representation of an item of audio/video information."

The Round 3 defendants contend that the subscriber receiving station is "a device on which playback can occur." It appears from the Round 3 defendants that they want the Court to limit the "subscriber receiving stations" to a single device, i.e., it cannot be a set-top box and a separate television, because, as defendants may argue, this is actually two devices. There is nothing in the claims or the specification[12] that limits the "subscriber receiving stations" to a single device and the Court should not add such limitations. *See*, *Transmatic*, 53 F.3d at 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."; *Prima Tek II*, 318 F.3d at 1149 ("For the reasons given below, we conclude this construction was erroneous. Neither the phrase "inserted into" nor "inserted through" appears in any of the asserted claims. Instead, all of the claims at issue require that the "floral holding material" be constructed of "material capable of receiving a portion of the floral grouping and supporting the floral grouping without any pot means.")

Here, the specification depicts and describes systems having user receiving stations. ('863 patent, 4:13-5:29; 17:19-61; Figure 1d-1g and 6). The Court has already construed the similar term "reception system" to mean "an assembly of elements, hardware and software, capable of functioning together to receive item of information." (Markman I, 28:21-22). No party, including the Round 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Round 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

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[12] The specification actually describes two possible devices, the reception system 200 and the playback device. ('863 patent, 17:53-54: "The real time output signals are output [from the reception system] to a playback system such as a TV or audio amplifier.")

The term "receiving station" is used in claims 14 and 17 in a similar manner to "reception system" in the claims of the '702 patent. Thus, the term "receiving station" would be understood to have a similar meaning, i.e., in the context of claims 14 and 17, the "receiving station" is "an assembly of elements, hardware and software, capable of functioning together to receive a representation of an item."

(1) The Term "Subscriber Receiving Station" is Not Indefinite

The Round 2 Cable defendants contend that the phrase "subscriber receiving station" is indefinite. Although they bear the burden of proof on indefiniteness, the Round 2 defendants have not yet articulated the reason why they believe that this phrase is indefinite and therefore Acacia reserves the right to address the Round 2 defendants' specific contentions in Acacia's reply brief.

Acacia presumes that the Round 2 Cable defendants base their indefiniteness arguments on the fact that the phrase "subscriber receiving station" is not used in the patent specification. This fact, however, does not mean that the term "subscriber receiving station" is indefinite. *See, Bancorp*, 359 F.3d at 1372 (holding that claim term "surrender value protected investment credit," which was not defined in industry publications or in the patent specification was not indefinite, because "the components of the term have well-recognized meanings, which allow the reader to infer the meaning of the entire phrase with reasonable confidence.")

As discussed above, persons of ordinary skill in the art in 1991 would have understood the meaning of "subscriber receiving station" when the claims are read in light of the specification, and thus this term is not indefinite, even though this term is not itself used in the specification.

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9. “Decompressing the Compressed, Digitized Data Representing the at Least One Item of Audio/Video Information After the Transmission Step Wherein the Decompressing Step is Performed in the Local Distribution System to Produce the Representation of the at Least One Item For Transmission To The At Least One Subscriber Station” (‘863 Patent, Claim 14)

Acacia	The phrase “decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station” does not require construction, however, it may be described as the act of expanding compressed data. It is the stored compressed, digitized data that was received and stored by the local distribution system that is decompressed.
Round 2 Defendants	Indefinite.
Round 3 Defendants	The “compressed, digitized data” is decompressed in the local distribution system to produce the “representation” which is then sent to “the at least one subscriber station” in uncompressed digital form.

The phrase “decompressing the compressed, digitized data representing the at least one item of audio/video information after the transmission step wherein the decompressing step is performed in the local distribution system to produce the representation of the at least one item for transmission to the at least one subscriber station” appears in claim 14 of the ‘863 patent.

The only dispute between the Round 3 defendants and Acacia with respect to this phrase appears to be the fact that the Round 3 defendants’ construction limits the representation of the at least one item, which was decompressed, to *digital* decompressed data. There is nothing in claim 14 that states that the decompressed data that is sent to the subscriber receiving station is in only a digital form. The claim is silent as to whether the data is digital or analog, and therefore the Court should not limit the claim to only digital data, while excluding analog data from the claim. *See, Resonate*, 338 F.3d at 1365 (“Courts may not rewrite claim language based on what has been omitted from the claim, and the district court’s attempt to do so here was legal error.”); *Hoganas,* 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 (“If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.”); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

Transmitting analog information is supported in the specification. Figures 1d-1g depict systems, such as those claimed in claim 14, having a local distribution system, referred to as a reception system 200 and describes an embodiment wherein the information is transmitted using VHF or UHF broadcasting systems. (‘863 patent, 59-61). Persons of ordinary skill in the art would have understood VHF and UHF broadcasts to have utilized analog signals. The reception system 200 is depicted in Figure 6 as outputting (for transmission to the subscriber receiving stations) analog video and audio. (*See also*, ‘863 patent, 17:49-51).

Thus, the meaning of this phrase cannot be limited to digital signals, but may include analog signals. *Mantech*, 152 F.3d at 1374 (“If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.”)

The Round 2 defendants contend that the “decompressing” step is indefinite, but have not articulated the reason why they believe that this phrase is indefinite. Acacia reserves the right to address the Round 3 defendants’ specific contentions in Acacia’s reply brief.

III. CLAIM 15 OF THE ‘863 PATENT

Claim 15 of the ‘863 patent is dependant from claim 14:

> 15. A method as recited in claim 14, **[10] wherein the inputting step comprises inputting the item having information as blocks of digital data**.

10. “Wherein the Inputting Step Comprises Inputting the Item Having Information as Blocks of Digital Data” (‘863 Patent, Claims 15, 18)

Acacia	The phrase “wherein the inputting step comprises inputting the item having information as blocks of digital data” means that the item having information that is input into the transmission system includes, but is not limited to, blocks of digital data.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Indefinite.

The phrase “wherein the inputting step comprises inputting items having information as blocks of digital data” appears in claims 15 and 18 of the ‘863 patent. Claim 15 depends from independent claim 14 and claim 18 depends from independent claim 17. This phrase from claims 15 and 18 refers to the steps of claims 14 and 17 of: "inputting an item having information into the transmission system," which Acacia discusses above in Section No. 2. Claims 15 and 18 merely add the limitation that the "item having information" that is input to the transmission system comprises blocks of digital data.

The specification supports inputting the items having information to the transmission system as blocks of digital data. For example, the specification describes the items having information as including analog and digital information (persons of ordinary skill in the art in 1991 would have understood "digital information" to include digital information in the form of blocks of digital data):

> The items of information may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.

('863 patent, 5:66-6:4).

The specification also describes the items which are stored in the source material library and input to converter 113 as being in either analog or digital form (persons of ordinary skill in the art in 1991 would have understood "digital form" to include digital information in the form of blocks of digital data):

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.

('863 patent, 6:56-61).

The Round 3 defendants contend that claims 15 and 18 are indefinite, but have not articulated the grounds for such contention. This contention is not supported by the facts, because, as demonstrated above, claims 15 and 18 are supported by the specification and would have been understood by persons of ordinary skill in the art in 1991 when the claims are read in light of the specification. *See. Bancorp*, 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

IV. CLAIM 16 OF THE '863 PATENT

Claim 16 of the '863 patent is dependant from claim 14:

> 16. A method as recited in claim 14, **[11] wherein the inputting**

step comprises: inputting the item having information as an analog signal; and converting the analog signal to blocks of digital data.

11. "Wherein the Inputting Step Comprises Inputting the Item Having Information as an Analog Signal and Converting the Analog Signal to Blocks of Digital Data" ('863 Patent, Claims 16 and 19)

Acacia	The phrase "wherein the inputting step comprises inputting the item having information as an analog signal and converting the analog signal to blocks of digital data" means that the item having information that is input into the transmission system includes, but is not limited to, an analog signal. Claims 16 and 19 add the step, to claims 14 and 17, respectively, that the analog signal is converted to blocks of digital data.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Indefinite.

The phrase "wherein the inputting step comprises inputting the item having information as an analog signal and converting the analog signal to blocks of digital data" appears in claims 16 and 19 of the '863 patent. Claim 16 depends from independent claim 14 and claim 19 depends from independent claim 17. This phrase from claims 16 and 19 refers to the steps of claims 14 and 17 of: "inputting an item having information into the transmission system," which Acacia discusses above in Section No. 2. Claims 16 and 19 merely add the limitation that the "item having information" that is input to the transmission system comprises an analog signal and the step of converting the analog signal to blocks of digital data.

The specification supports inputting the items having information to the transmission system as an analog signal. For example, the specification describes the items having information as including analog and digital information (persons of ordinary skill in the art in 1991 would have understood "analog information" to include analog information in the form of an analog signal):

> The items of information may include analog and digital audio and video information as well as physical objects such as books and records which require conversion to a compatible media type before converting, compressing and storing their audio and video data in the compressed data library means.

('863 patent, 5:66-6:4).

The specification also describes the items which are stored in the source material library and input to converter 113 as being in either analog or digital form (persons of ordinary skill in the art in 1991 would have understood "analog form" to include analog information in the form of an analog signal):

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.

('863 patent, 6:56-61).

The specification further states that the analog signal is converted to a "series of digital data bytes:"[13]

> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes.

('863 patent, 7:6-9).

The Round 3 defendants contend that claims 16 and 19 are indefinite, but have not articulated the grounds for such contention. This contention is not supported by the facts, because, as demonstrated above, claims 15 and 18 are supported by the specification and would have been understood by persons of ordinary skill in the art in 1991 when the claims are read in light of the specification. *See. Bancorp,* 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

V. CLAIM 17 OF THE '863 PATENT

Claim 17 of the '863 patent is an independent method claim:

> 17. A method of distributing audio/video information comprising:
>
> **[12] formatting items of audio/video information as compressed digitized data at a central processing location;**
>
> **[13] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information from the central processing location;**
>
> **[5] receiving the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video**

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[13] As further described in the specification, a series of digital data bytes are digital data blocks. (*See,* '863 patent, 7:65-8:2; 18:53-66, Figure 8).

information, at a local distribution system;

[6] storing the received compressed, digitized data representing the complete copy of the at least one item at a local distribution system; and

[14] using the stored compressed, digitized data to transmit a representation of the at least one item to at a plurality of subscriber receiving stations coupled to the local distribution system;

[12] wherein the formatting step comprises:

[2] inputting an item having information into the transmission system;

[3] assigning a unique identification code to the item having information;

[4] formatting the item having information as a sequence of addressable data blocks; and

compressing the formatted and sequenced data blocks.

12. "Formatting Items of Audio/Video Information as Compressed Digitized Data at a Central Processing Location" and "Wherein the Formatting Step Comprises" ('863 Patent, Claim 17)

Acacia	The term "central processing location" does not require construction; however, it may be described as the principle position or site where processing occurs. The phrase "wherein the formatting step comprises" refers to the step of "formatting items of audio/video information. . ." The use of the open-ended transitional phrase "comprising" means that the formatting step includes, but is not limited to, the "inputting. . .," "assigning . . .," "formatting . . .,"and "compressing . . ." steps listed thereafter and described above as Term Nos. 2-5.
ROUND 2 DEFENDANTS	**Central Processing Location:** Indefinite. (The Round 2 Defendants contend that "central processing location" is indefinite in each claim in which it is used: Claims 14, 17 of the '863 and Claims 8, 11 of the '720 patents).
ROUND 3 DEFENDANTS	"Central Processing Location" means: The single (one and only one) location of the transmission system, at which all of the processing of audio/video information by the transmission system is exclusively performed and from which a plurality of "local distribution systems" directly and exclusively receive processed audio/video information. The step of "formatting items of audio/video information as compressed digitized data" must be exclusively performed at this single central

	processing location, as must the following steps: "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information" to the "local distribution system"; "inputting an item having information into the transmission system"; "assigning a unique identification code to the item having information"; "formatting the item having information as a sequence of addressable data blocks;" and "compressing the formatted and sequenced data blocks." **In addition:** "compressed, digitized data" means the compressed, sequence of addressable data blocks [defined below]. The audio/video information from the item is examined to determine if it is in analog or digital form. If the audio/video information in the item is in analog form, it is converted into digital form and then compressed. If the audio/video information in the item is already in digital form, then it is compressed. The "digitization" of analog information occurs before the "sequence of addressable data blocks" are created, but after the step of "inputting an item having information into the transmission system." [See construction 5 of "local distribution system" above]

The phrase "formatting items of audio/video information as compressed digitized data at a central processing location" appears in claim 17 of the '863 patent.

a) There is No Limitation That the Information is Examined.

The Round 3 defendants contend that: "[t]he audio /video information from the item is examined to determine if it is in analog or digital form. If the audio/video information in the item is in analog form, it is converted into digital form and then compressed. If the audio/video information in the item is already in digital form, then it is compressed. The 'digitization' of analog information occurs before the 'sequence of addressable data blocks' are created, but after the step of 'inputting an item having information into the transmission system."

None of these limitations are stated in the claim and no such limitation is required in order for the Court to interpret this phrase. The claimed method applies equally to methods in which only analog information is input, methods in which only digital information is input, and methods in which both analog and digital information is input. Thus, the Court should not add a limitation through claim construction that the information must be examined to determine whether it is in analog or digital form, as this would assume that the method only applies to those in which both analog and digital information are input. *See, Intervet*, 887 F.2d at 1053 ("No matter how great the temptations of fairness or policy making, courts do not rework claims. They only interpret them."); *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases."); *Transmatic*, 53 F.3d at 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("For the reasons given below, we conclude this construction was erroneous. Neither the phrase "inserted into" nor "inserted through" appears in any of the asserted claims.")

13. "Transmitting Compressed, Digitized Data Representing a Complete Copy of at Least One Item of Audio/Video Information at a Non-Real Time Rate From a Central Processing Location" ('863 Patent, Claim 17)

Acacia	The term "compressed, digitized data representing a complete copy of at least one item of audio/video information" means that the data is a reproduction of at least one entire item of audio/video information in a compressed, digitized data form.
Round 2 Defendants	Indefinite.
Round 3 Defendants	Sending the compressed, sequence of addressable data blocks representing a copy of all of the audio visual information of the at least one physical object from the transmission system at the central processing location [See construction 29 for "sequence of addressable data blocks" below; see construction 12 for "central processing location" above]

The phrase "transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location" appears in claim 17 of the '863 patent.

The Round 3 defendants contend that the "audio visual information of the at least one *physical object*" is sent. As discussed above in Section No. 1.b and below in Section No. 25, the term "item having information" is not limited to physical objects and the claim is not limited such that only all of the information on a physical object is sent. *See*, *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

The Round 2 defendants contend, without explanation, that this phrase is indefinite. Again, defendants bear the burden of proving indefiniteness, but they have not articulated why they believe that this phrase is indefinite. Presumably, defendants are referring to the use of the term "representing," which the Round 2 defendants contend to be indefinite. Acacia has addressed the term "representing" in Section No. 8 above. Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

14. "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item to at a Plurality of Subscriber Receiving Stations Coupled to the Local Distribution System" ('863 Patent, Claim 17)

Acacia	The phrase "using the stored compressed, digitized data to transmit a representation of the at least one item" means that a reproduction of the item is transmitted. The stored, compressed digitized data that was received and stored in the local distribution system (in the prior two steps) is employed for transmitting the representation of the item. The phrase "to transmit a representation of the at least one item to at a plurality of subscriber receiving stations" means that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations. The term "subscriber receiving station" means "a subscriber's assembly of elements, hardware and software, capable of functioning together to receive the representation of the item of audio/video information." The term "coupled to" has already been construed by the Court to mean that two elements are directly attached to one another such that using a diskette to transfer information from one to another would mean that the two elements

	are not "coupled to" one another.
Round 2 Defendants	The phrases "using the stored compressed, digitized data to transmit . . . " and "subscriber receiving stations" are indefinite in each of the claims in which they are used.
Round 3 Defendants	Indefinite.

The phrase "using the stored compressed, digitized data to transmit a representation of the at least one item to at a plurality of subscriber receiving stations coupled to the local distribution system" appears in claim 17 of the '863 patent.

a) The Meaning of "Using the Stored Compressed, Digitized Data to Transmit a Representation of the at Least One Item"

This phrase of claim 17 states that "a representation of the at least one item" is transmitted "using the stored compressed, digitized data." The compressed, digitized data is the "compressed, digitized data" received by and stored at the local distribution system. According to *Webster's*, the term "use" has an ordinary meaning of "to put into action or service: have recourse to or enjoyment of: employ." Here, "using" means that the "compressed, digitized data" received by and stored at the local distribution system is employed for transmitting the representation of the item to the plurality of subscriber receiving stations, rather than some other representation. This is consistent with the specification which describes, as examples, cable television systems in which the audio/video information is stored at a local distribution system and then transmitted to the subscriber for viewing. (*See, e.g.*, '863 patent, 4:13-5:29; Figures 1d-1g).

Thus, the claim requires that it is the compressed, digitized data that was received and stored at the local distribution system that is employed for transmitting. It is *not* the compressed, digitized data at the central processing location, the compressed, digitized data received at the local distribution system (but not stored), or any other compressed, digitized data that is transmitted.

The Round 2 defendants contend that the term "using" is indefinite. Although they bear the burden of proving indefiniteness, the defendants have not articulated the grounds for contending that this phrase is indefinite. The Round 2 defendants cannot demonstrate that persons of ordinary skill in the art in 1991 would not have understood what is meant by "using," when claim 17 is read in light of the specification. *Bancorp*, 359 F.3d at 1372. Acacia reserves the right to address defendants' specific contentions in its reply brief.

b) The Meaning of "to at a Plurality of Subscriber Receiving Stations"

The phrase "to transmit a representation of the at least one item to at a plurality of subscriber receiving stations" means that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations.

The Round 3 defendants contend that this "using …" phrase is indefinite. Although the Round 3 defendants have not articulated their grounds for contending that the "using …" phrase is indefinite, Acacia believes that the Round 3 defendants may contend that the words of this phrase – ". . .to transmit a representation of the at least one item *to at* a plurality of subscriber receiving stations …" is indefinite.

This phrase is not indefinite. One of ordinary skill in the art would easily have understood the phrase to mean that a representation of the at least one item is transmitted such that it is received by a plurality of subscriber receiving stations. The ordinary meaning of "to" is "used as a function word to indicate movement or an action or condition suggestive of movement toward (1) a person, place, or thing that is reached or is thought of as being reached." (*Webster's*). (See Block Decl. Ex. 6). The ordinary meaning of "at" is "used as a function word to indicate that which is the goal of an action or that toward which an action or motion is directed." (*Webster's*). (See Block Decl. Ex. 7).

Although either one of these terms would, by itself, suffice to communicate that the plurality of subscriber receiving stations is the thing to which (or at which) the representation of the at least one item is transmitted, the fact that both are used does not mean that this phrase is legally indefinite. *See, e.g., Exxon Research & Eng'g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001) ("Under a broad concept of indefiniteness, all but the clearest claim construction issues could be regarded as giving rise to invalidating indefiniteness in the claims at issue. But we have not adopted that approach to the law of indefiniteness. We have not insisted that claims be plain on their face in order to avoid condemnation for indefiniteness; rather, what we have asked is that the claims be amenable to construction, however difficult that task may be.")

c) The Meaning of "Subscriber Receiving Stations"

Acacia discusses the meaning of the term "subscriber receiving stations" in Section No. 8, above. The context in which the term "subscriber receiving stations" is used in claim 14 of the '863 patent is similar to the context in which it is used in claim 17 of the '863 patent. Therefore the term "subscriber receiving stations" means "an assembly of elements, hardware and software, capable of functioning together to receive the representation of the item" in both claims 14 and 17.

15. Whether Each Step of Claims 14 and 17 of the '863 Patent and Claims 8 and 11 of the '720 Patent Begin and Occur Only After a Prior Step or Steps Have Been Completed

Although parties were able to stipulate to the order of the steps of method claims 14 and 17 of the '863 patent and claims 8 and 11 of the '720 patent, the parties are unable to agree as to whether each step of these claims begins and occurs only after a prior step or steps have been completed. This is the same issue that was argued to the Court during the last round of Mrakman briefing with respect to the method claims in the '992 and '275 patents.

As the Court may recall, Acacia contends that there is no limitation in any of these claims that each step begins and occurs only after a prior step or steps have been completed; the claims only require that the steps are performed in sequence. Thus, it would be improper for the Court to add such a limitation to the claims. *See*, *Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374; *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

VI. CLAIMS 4, 7, 8, AND 11 OF THE '720 PATENT

Claim 4 of the '720 patent is an independent system claim:

> 4. A digital audio/video communication network comprising:
>
> a reception system in data communication with a plurality of [24] subscriber selectable receiving stations, the reception system comprising,
>
> means for receiving compressed, digitized data representing at least one item of audio/video information at a non-real time rate,
>
> means for storing a complete copy of the received compressed, digitized data, and

[17] means responsive to the stored compressed, digitized data, for transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations, wherein said means for receiving, said means for storing, and said means for transmitting are positioned at the same location, and wherein the at least one of the plurality of **[16] subscriber selectable stations** is located at a premises geographically separated from the location of the reception system.

Claim 7 of the '720 patent is dependant from claim 6 of the '720 patent (which is dependant from claim 1 of the '720 patent):

7. A digital audio/video communication network as recited in claim 6, wherein the processing station comprises:

[18] means for inputting items of audio/video information;

[19] conversion means for placing each input item of audio/video information into a predetermined format as formatted data;

compression means for compressing the formatted data; and

[20] transmitter means for sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system.

Claim 8 of the '720 patent is an independent method claim:

8. A method of distributing audio/video information comprising:

[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information at a non-real time rate from a central processing location to a local distribution system remote from the central processing location;

receiving, into a receiving means, the transmitted compressed, digitized data representing a complete copy of the at least one item;

storing, in a storing means, the received compressed, digitized data representing the complete copy of the at least one item at the local distribution system; and in response to the stored compressed, digitized data, transmitting, using a **[21] transmitting means**, a representation of the at least one item at a real-time rate to at least one of a plurality of **[16] subscriber selectable receiving stations** coupled to the local distribution system, wherein the receiving means, the storing means, and the transmitting means are positioned at the same location, and wherein the at least one of the plurality of subscriber selectable stations is located at a premises geographically separated from the local distribution system.

Claim 11 of the ‘720 patent is an independent method claim:

11. A method of distributing audio/video information comprising:

formatting items of audio/video information as compressed digitized data at a central processing location;

[1] transmitting compressed, digitized data representing a complete copy of at least one item of audio/video information from the central processing location;

receiving, into a receiving means, the transmitted compressed, digitized data representing a complete copy of the at least one item of audio/video information at a local distribution system;

storing, in a storing means, the received compressed, digitized data representing the complete copy of the at least one item at the local distribution system; and

[14] using the stored compressed, digitized data to transmit using a transmitting means a representation of the at least one item to at least one of a plurality of **[16] subscriber selectable receiving stations** coupled to the local distribution system, wherein the receiving means, the storing means, and the transmitting means are positioned at the same location, and wherein the at least one of the plurality of subscriber selectable stations is located at a premises geographically separated from the location of the local distribution system.

16. “Subscriber Selectable Receiving Stations” (‘720 Patent, Claims 4, 8, and 11)

Acacia	The term “subscriber selectable” means that the subscriber is presented with the option of choosing, from among the plurality of receiving systems, the receiving station to which the information is transmitted. The term “receiving station” means “a subscriber’s assembly of elements, hardware and software, capable of functioning together to receive the representation of an item of audio/video information.”
Round 2 Defendants	Claim 4: “subscriber selectable” means the reception system provides the subscriber with a choice, from among the plurality of receiving stations, of the receiving station or stations to which the information is transmitted. Claims 8 and 11: “subscriber selectable” means the local distribution system

	provides the subscriber with a choice, from among the plurality of receiving stations, of the receiving station or stations to which the information is transmitted.

The term “subscriber selectable receiving stations” appears in claims 4, 8, and 11 of the ‘720 patent. This term is used in the same context in each of these claims.

Claims 14 and 17 of the ‘863 use the similar phrase “subscriber receiving stations.” As discussed above in Section No. 8, Acacia set forth the construction for “subscriber receiving stations” as “an assembly of elements, hardware and software, capable of functioning together to receive the representation of an item of audio/video information and operated by a subscriber.”

The only difference between the phrase “subscriber receiving stations” of claims 14 and 17 of the ‘863 patent and the phrase “subscriber selectable receiving stations” of claims 4, 8, and 11 of the ‘720 patent is the presence of the word “selectable.”

The concept of “selectability” is also included in claim 19 of the ‘992 patent, which the parties have already briefed and argued. Although the term “selectable” does not appear in Claim 19 of the ‘992 patent, the term “selected” does. Claim 19 includes reference to a user request and selected in claim 19 refers to the remote location (“selected remote location”). Acacia proposed a construction of “selected remote locations” in claim 19 of the ‘992 patent as follows: “The ‘remote location selected by the user’ and the ‘selected remote location’ are ‘a site or position distant in space from the transmission system that the user specifies in the request, where *one of the available options* is a site or position that is different from the site or position where the user makes the request.’” (emphasis added).

Claims 4, 8, and 11 use the term “selectable” as part of the term “subscriber *selectable* receiving stations.” Thus, consistent with the specification of the ’720 patent (‘720 patent, 5:6-16; 13:56-60; 14:28-45) and with Acacia’s proposed construction for “selected remote locations” in claim 19 of the ’992 patent, Acacia construes “subscriber selectable” to mean: “the subscriber is presented with the option of choosing, from among the plurality of receiving systems, the receiving station to which the information is transmitted..”

The Round 2 Satellite defendants contend that “selectable” in claim 4 means that the reception system provides the subscriber with a choice of receiving stations and in claims 8 and 11 means that the local distribution system provides the subscriber with a choice of receiving systems. Defendants' construction improperly adds the limitation in claim 4 that the reception system provides the choice and in claims 8 and 11 that the local distribution system provides the choice. Nothing in the claims states that such a limitation exists, because the claims merely state that the receiving stations are selectable, without requiring that any particular structure provide the subscriber with the choice. The Court therefore cannot add these limitations to the claims. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950; *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper."); *Transmatic*, 53 F.3d at 1278; *Prima Tek II*, 318 F.3d at 1149.

17. "Means, Responsive to the Stored, Compressed Digitized Data, for Transmitting a Representation of the at Least One Item of Audio/Video Information at a Real-Time Rate to at Least One of the Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 4)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, (See, e.g., reference nos. 122, 200d) and all equivalents. The phrase "responsive to the stored compressed, digitized data" means that the means for transmitting only performs the function of transmitting after compressed digitized data has been stored.
Round 2 Defendants	Function: Information in the stored, compressed digitized data triggers the transmission of a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations Structure: Indefinite for lack of corresponding structure. The phrase "responsive to the stored compressed, digitized data" means that information in the stored, compressed digitized data triggers the transmission.

Claim 4 also includes a "means, responsive to the stored, compressed digitized data, for transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations."

The parties agree that this phrase is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The parties, however, disagree as to the function performed by the means for transmitting. Acacia contends that the claimed function is "transmitting a representation of the at least one item of audio/video information at a real-time rate to at least one of the plurality of subscriber selectable receiving stations."

The structure disclosed in the '720 patent specification necessary for performing this function is transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See*, '720 patent at 4:49-59, 15:14 – 17:44, and 18:46-19:12 and shown in Figures 1g, 2b, and 8e):

> The transmission system 100 of the present invention preferably further includes transmitter means 122, coupled to the compressed data library 118, for sending at least a portion of a specific file to at least one remote location. The transmission and receiving system of the present invention preferably operates with any available communication channels. Each channel type is accessed through the use of a communications adaptor board or processor connecting the data processed in the transmission format converter 119 to the transmission channel.
>
> A preferred embodiment of the present invention also includes means by which to access users via common access lines. These may include standard telephone, ISDN or B-ISDN, microwave, DBS, cable television systems, MAN, high speed modems, or communication couplers. Metropolitan Area Networks (MANS) which are common carrier or private communication channels are designed to link sites in a region. MANs are described by Morreale and Campbell in "Metropolitan-area networks" (IEEE Spectrum, May 1990 pp. 40-42). The communication lines are used to transmit the compressed data at rates up to, typically, 10 Mb/sec.

('720 patent, 15:14-34).

> The transmitter 122 places the formatted data onto the communications channel. This is an electrical conversion section and the output depends upon the chosen communication path. The signal is sent to the reception system 200 in either a two way or a one way communication process. In a standard telephone connection, the transmitter 122 is preferably a modem. When using an ISDN channel, the transmitter 122 is preferably a data coupler.
>
> In a preferred embodiment of the present invention, many forms of communication channels may be employed. Distribution of information is by common carrier communication channels whenever possible. These channels include common telephone service, ISDN and Broadband ISDN, DBS, cable television systems, microwave, and MAN.

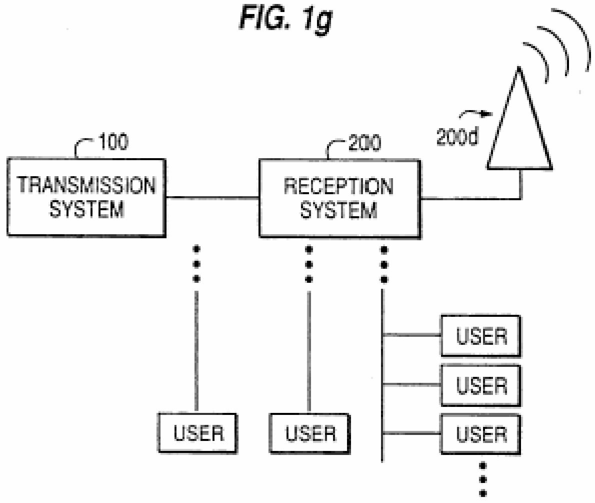
('720 patent, 16:4-17).

The ‘720 patent further teaches that a means for transmitting is part of the reception system, as depicted in Figure 1g and described in the specification:

> FIG. 1g shows a high level block diagram of the transmission and receiving system of the present invention including transmission system 100 distributing to a reception system 200, which then preferably transmits requested material over airwave communication channels 200d, to a plurality of users. The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or uncompressed data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.

(‘720 patent, 4:49-59).

FIG. 1g



The Round 2 Satellite defendants contend that the “means for transmitting” is indefinite but have not articulated the grounds for contending that the term is indefinite. Presumably, this is because the Round 2 defendants contend that the claimed function of the means for transmitting includes the limitation that the information in the stored, compressed digitized data “triggers” the transmission of the representation. The Round 2 Satellite defendants are basing this construction of the claimed function on their erroneous construction of the phrase “responsive to the stored compressed, digitized data,” which Acacia address above in Section No. 7. Acacia reserves the right to address the Round 3 defendants’ specific contentions in Acacia’s reply brief.

18. “Means for Inputting Items of Audio/Video Information” (‘720 Patent, Claim 7)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 -- analog input receiver (127) and/or a digital input receiver (124), and all equivalents.

Round 2 Defendants	Function: Inputting items of audio/video information. Structure: Indefinite for lack of corresponding structure.

Claim 7 depends from claim 6 of the '720 and states that the processing station of claim 6 includes four elements – a means for imputing, a conversion means, a compressing means, and a transmitting means.

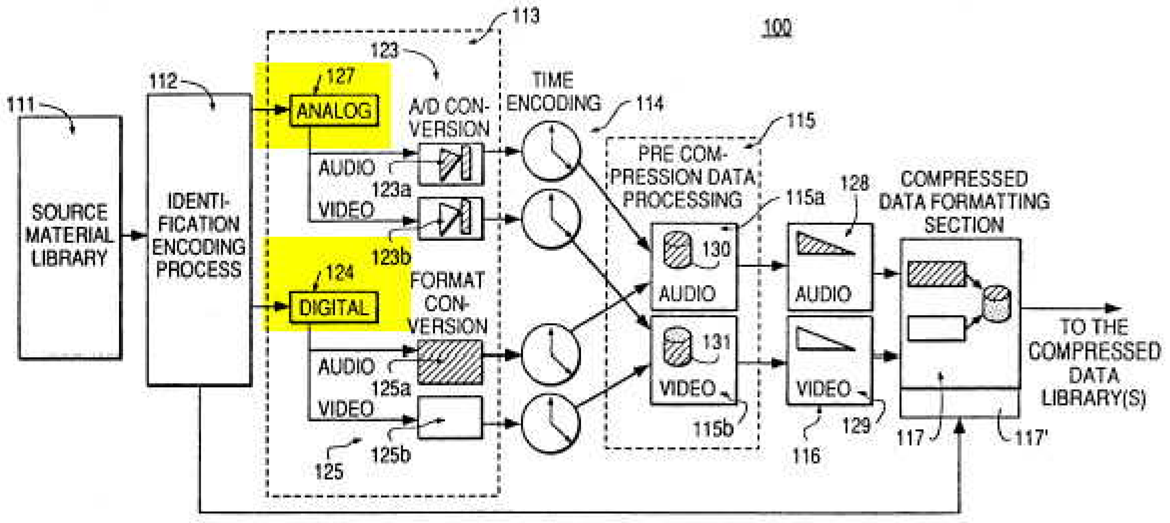
The parties agree that the "means for inputting" element is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The claimed function is "inputting items of audio/video information."

The structures disclosed in the specification for the means for inputting are the analog input receiver (127) and the digital input receiver (124). Both input receivers are described in the specification as performing the function of inputting items of audio/video information, however, if the items contain only analog or digital information, then only one type of input receiver is necessary:

> The items stored in source material library 111 and encoded by identification encoder 112 may be in either analog or digital form. Converter 113 therefore includes analog input receiver 127 and digital input receiver 124. If items have only one format, only one type of input receiver 124 or 127 is necessary.
>
> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. Formatter 125 outputs the data in a predetermined format.
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.

('720 patent, 6:51-7:6; emphasis added).

The digital input receiver (124) and the analog input receiver (127) are depicted in Figure 2a of the '720 patent:


113
100
123
112
127
111
ANALOG
A/D CON-
VERSION
TIME
ENCODING
114
115
AUDIO
123a
VIDEO
PRE COM-
PRESSION DATA
PROCESSING
115a
128
COMPRESSED
DATA FORMATTING
SECTION
SOURCE
MATERIAL
LIBRARY
IDENTI-
FICATION
ENCODING
PROCESS
123b
130
AUDIO
AUDIO
124
DIGITAL
FORMAT
CON-
VERSION
131
AUDIO
125a
VIDEO
VIDEO
VIDEO
TO THE
COMPRESSED
DATA
LIBRARY(S)
115b
129
117
117'
116
125b
125
FIG. 2a

Thus, the means for inputting should be interpreted to include either the digital input receiver (124) or the analog input receiver (127) or both, and all equivalents.

The Round 2 defendants contend that the “means for inputting” is indefinite, due to an alleged lack of corresponding structure. As shown above, the specification discloses corresponding structure.

19. “Conversion Means for Placing Each Item of Audio Video Information Into a Predetermined Format as Formatted Data” (‘720 Patent, Claim 7)

Acacia	Construed pursuant to 35 U.S.C. § 112, ¶ 6 – an analog audio converter (123a), an analog video converter (123b), a digital audio formatter (125a) and/or a digital video formatter (125b), and all equivalents.
Round 2 Defendants	Function: Placing each input item of audio and/or visual information into a predetermined format as formatted data. Structure: Converter 113

Claim 7 includes a “conversion means for placing each item of audio/video information into a predetermined format as formatted data.” The parties agree that the “conversion means” element is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6.

The claimed function is “placing each item of audio/video information into a predetermined format as formatted data.”

The parties essentially agree that the corresponding structure is found in the converter 113. The parties only disagreement appears to be whether only analog, digital devices, or both are permitted (Acacia's position) or whether all of the devices (analog and digital) are required (the Round 2 defendants' position). According to the specification, the items of audio/video information may encompass items of only digital information, only analog information, or both digital and analog information. If the items have only one format, then only one type of input receiver is necessary. (*See,* '720 patent, 6:51-56). Thus, if only one type of input receiver is necessary, then only one type of formatter or converter is necessary.

Acacia contends that the structures disclosed in the '720 patent specification for performing the claimed function on either analog or digital information or both are the analog audio converter (123a), analog video converter (123b), digital audio formatter (125a) and/or digital video formatter (125b) as described in the specification of the '720 patent at 6:56-7:13 and shown in Figure 2a:

> When the information from identification encoder 112 is digital, the digital signal is input to the digital input receiver 124 where it is converted to a proper voltage. A formatter 125 sets the correct bit rates and encodes into least significant bit (lsb) first pulse code modulated (pcm) data. Formatter 125 includes digital audio formatter 125a and digital video formatter 125b. The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b. Formatter 125 outputs the data in a predetermined format.
>
> When the retrieved information from identification encoder 112 is analog, the information is input to an analog-to-digital converter 123 to convert the analog data of the retrieved information into a series of digital data bytes. Converter 123 preferably forms the digital data bytes into the same format as the output of formatter 125.
>
> Converter preferably includes an analog audio converter 123a and an analog video converter 123b. The analog audio converter 123a preferably converts the retrieved audio signal into pcm data samples at a fixed sampling rate. The analog video converter 123b preferably converts the analog video information, retrieved from identification encoder 123, into pcm data also at fixed sampling rates.

('720 patent, 6:56-7:13).

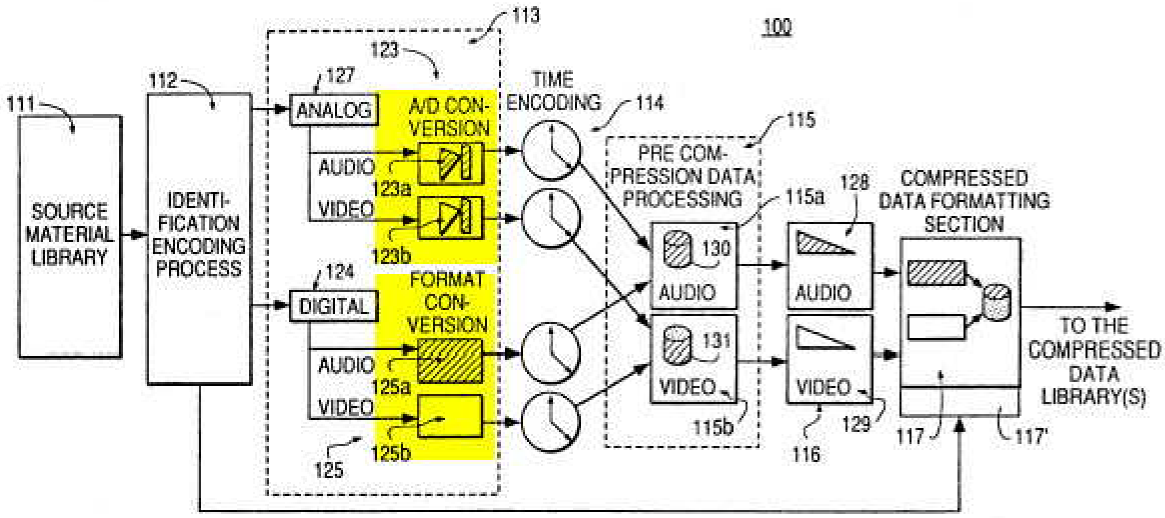

113
100
123
112
127
111
ANALOG
A/D CON-
VERSION
TIME
ENCODING
114
115
AUDIO
123a
VIDEO
123b
SOURCE
MATERIAL
LIBRARY
IDENTI-
FICATION
ENCODING
PROCESS
PRE COM-
PRESSION DATA
PROCESSING
115a
128
COMPRESSED
DATA FORMATTING
SECTION
130
AUDIO
AUDIO
124
DIGITAL
FORMAT
CON-
VERSION
AUDIO
125a
VIDEO
125b
125
131
VIDEO
115b
VIDEO
129
116
117
117'
TO THE
COMPRESSED
DATA
LIBRARY(S)

FIG. 2a

20. "Transmitter Means for Sending Compressed Formatted Data for the at Least One Item of Audio/Video Information at the Non-Real Time Rate to the Reception System" ('720 Patent, Claim 7)

Acacia	The term "transmitter" is sufficient structure to perform the claimed function and therefore overcome the presumption of 35 U.S.C. § 112, ¶ 6. If construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, and all equivalents.
Round 2 Defendants	Function: Sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system Structure: Transceiver/transmitter 122 in Figure 2b.

Claim 7 includes a "transmitter means for sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system."

This phrase uses the term "means for," and therefore is presumptively construed pursuant to 35 U.S.C. § 112, ¶ 6. In this case, however, the claim phrase recites the structure ("transmitter") for performing the recited function ("sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system"). Therefore, the presumption that 35 U.S.C. § 112, ¶ 6 controls is overcome. *See, TI Group Auto. Sys. (N. Am.), Inc. v. VDO N. Am., L.L.C.*, 375 F.3d 1126, 1135 (Fed. Cir. 2004) ("While the use of the word 'means' gives rise to a presumption that § 112, paragraph 6 applies, the presumption is overcome by the recitation of the structure needed to perform the recited function.") This phrase should therefore be construed to mean "a transmitter."

The Court may find, however, that the term "transmitter" is not sufficient structure to overcome the presumption that 35 U.S.C. § 112, ¶ 6 applies. If this is the case, then the Court would follow the construction rules for terms construed pursuant to 35 U.S.C. § 112, ¶ 6.

The parties agree that the claimed function for the "transmitter means" is "sending compressed formatted data for the at least one item of audio/video information at the non-real time rate to the reception system."

The parties dispute the structures disclosed in the specification for performing this function. Acacia contends that the structure disclosed in the '720 patent specification necessary for performing this function is a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See,* '720 patent at 4:49-59, 15:14 – 16:39, and 18:64-19:12 and shown in Figures 1g, 2b, 6, and 8e):

> FIG. 1g shows a high level block diagram of the transmission and receiving system of the present invention including transmission system 100 distributing to a reception system 200, which then preferably transmits requested material over airwave communication channels 200d, to a plurality of users. The transmission and receiving system shown in FIG. 1g may preferably transmit either compressed or uncompressed data, depending on the requirements and existing equipment of the user. The airwave transmission and receiving system shown in FIG. 1g may preferably employ either VHF, UHF or satellite broadcasting systems.

('720 patent, 4:49-59).

> The transmission system 100 of the present invention preferably further includes transmitter means 122, coupled to the compressed data library 118, for sending at least a portion of a specific file to at least one remote location. The transmission and receiving system of the present invention preferably operates with any available communication channels. Each channel type is accessed through the use of a communications adaptor board or processor connecting the data processed in the transmission format converter 119 to the transmission channel.

> A preferred embodiment of the present invention also includes means by which to access users via common access lines. These may include standard telephone, ISDN or B-ISDN, microwave, DBS, cable television systems, MAN, high speed modems, or communication couplers. Metropolitan Area Networks (MANs) which are common carrier or private communication channels are designed to link sites in a region. MANs are

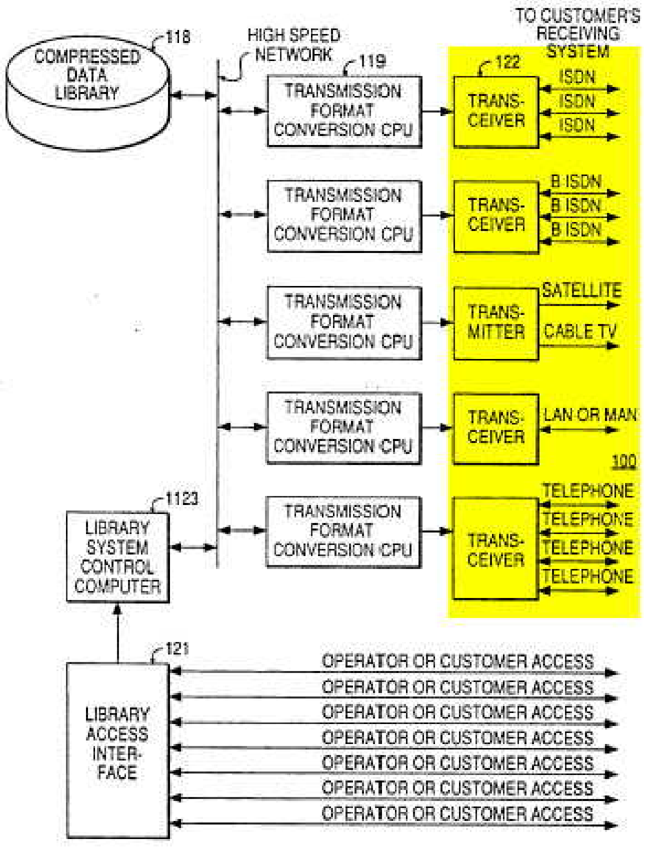
described by Morreale and Campbell in "Metropolitan-area networks" (IEEE Spectrum, May 1990 pp. 40-42). The communication lines are used to transmit the compressed data at rates up to, typically, 10 Mb/sec.

('720 patent, 15:14-34).

The transmitter 122 places the formatted data onto the communications channel. This is an electrical conversion section and the output depends upon the chosen communication path. The signal is sent to the reception system 200 in either a two way or a one way communication process. In a standard telephone connection, the transmitter 122 is preferably a modem. When using an ISDN channel, the transmitter 122 is preferably a data coupler.

In a preferred embodiment of the present invention, many forms of communication channels may be employed. Distribution of information is by common carrier communication channels whenever possible. These channels include common telephone service, ISDN and Broadband ISDN, DBS, cable television systems, microwave, and MAN.

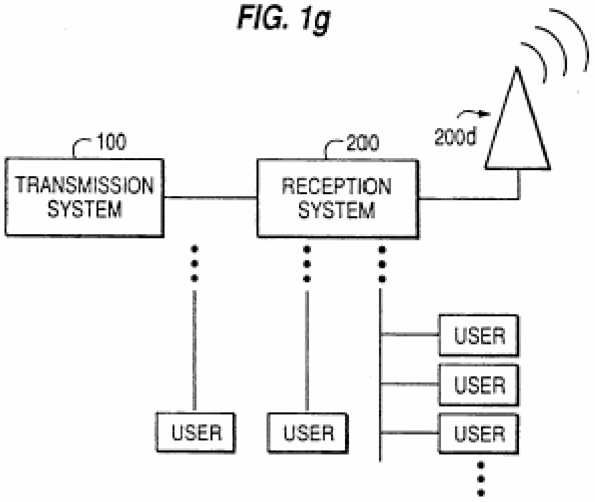
('720 patent, 16:4-17).



118
COMPRESSED DATA LIBRARY
HIGH SPEED NETWORK
119
TO CUSTOMER'S RECEIVING SYSTEM
122
TRANSMISSION FORMAT CONVERSION CPU
TRANS-CEIVER
ISDN
ISDN
ISDN
TRANSMISSION FORMAT CONVERSION CPU
TRANS-CEIVER
B ISDN
B ISDN
B ISDN
TRANSMISSION FORMAT CONVERSION CPU
TRANS-MITTER
SATELLITE
CABLE TV
TRANSMISSION FORMAT CONVERSION CPU
TRANS-CEIVER
LAN OR MAN
100
1123
LIBRARY SYSTEM CONTROL COMPUTER
TRANSMISSION FORMAT CONVERSION CPU
TRANS-CEIVER
TELEPHONE
TELEPHONE
TELEPHONE
TELEPHONE
121
LIBRARY ACCESS INTER-FACE
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS
OPERATOR OR CUSTOMER ACCESS

FIG. 2b

FIG. 1g



The Round 2 Satellite Defendants contend that the structures for performing the transmitting function are limited to the transceiver/transmitter 122 shown in Figure 2b. This is incorrect, however, because the specification describes other transmitters, including broadcast television transmitters, which are not depicted in Figure 2b, but are nevertheless disclosed in the specification.

21. "... Transmitting, Using a Transmitting Means, a Representation of the at Least One Item at a Real-Time Rate to at Least One of a Plurality of Subscriber Selectable Receiving Stations" ('720 Patent, Claim 8)

Acacia	The "transmitting means" is construed pursuant to 35 U.S.C. § 112, ¶ 6 – a transmission data converter (aka transmission format conversion CPU) (reference no. 119) and a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, satellite transmitter, and all equivalents.
Round 2 Defendants	Function: Transmitting data at a real-time rate to at least one of a plurality of subscriber selectable receiving stations. Structure: Transceiver/transmitter 122 in Figure 2b.

Claims 8 and 11 of the '720 patent include the phrase "... transmitting, using a transmitting means, a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber selectable receiving stations." This phrase requires that the act of transmitting be performed by a "transmitting means."

The parties agree that the "transmitting means" is a means-plus-function phrase construed pursuant to 35 U.S.C. § 112, ¶ 6. The claimed function is "transmitting a representation of the at least one item at a real-time rate to at least one of a plurality of subscriber selectable receiving stations."

The structure disclosed in the '720 patent specification necessary for performing this function is a transmitter, transceiver, cable television transmitter, modem, broadcast television transmitter, data coupler, or satellite transmitter (*See*, '720 patent at 4:49-59, 15:14 – 16:39, and 18:64-19:12 and shown in Figures 1g, 2b, 6, and 8e).

VII. CLAIM TERMS FROM THE '992 PATENT THAT THE COURT HAS ALREADY CONSTRUED

22. "Transmission System" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

Acacia	The term "transmission system" has already been construed by the Court to mean "an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."
Round 3 Defendants	A "transmission system" is a system as depicted in Fig. 2 (2a and 2b) of the Yurt patents. A "transmission system" must include the following components, interconnected in the order identified: a source material library (element 111 of Fig. 2a); an identification encoder (element 112 of Fig. 2a); a conversion means (element 113 of Fig. 2a); a time encoder (element 114 of Fig. 2a); a pre compression processor (element 115 of Fig. 2a); a compressor (element 116 of Fig. 2a); a compressed data storage means (element 117 of Fig. 2a); a compressed data library (element 118 of Fig. 2b); a transmission format means (element 119 of Fig. 2b); and a transceiver or transmitter (element 122 of Fig. 2b). [See construction 24 for "source material library" below]

The term "transmission system" appears in all of the claims the '992 patent, all of the claims of the '275 patent, claims 1-9, and 11-19 of the '863 patent, claims 1-3 of the '720 patent, and all of the claims of the '702 patent. The Court construed the term "transmission system" in Markman I in the context of the claims of the '702 patent (the '702 patent claims specified that the transmission system is in data communication with a reception system):

> The Court finds "transmission system" to mean "an assembly of elements, hardware and software, that functions together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."

(Markman I, at 28:11-13).

In Markman II, Acacia sought reconsideration of the Court's construction for "transmission system," by seeking to make clear in the construction that the transmission system may be located in one facility or may be spread over a plurality of facilities. The Rounds 1 and 2 defendants contended that such an amendment to the construction was not necessary, because they contended that, in the '702 patent claims, the transmission system (which was part of the phrase "transmission system at a first location") was limited to only one location. None of the Rounds 1 and 2 defendants (which include cable companies, similar to the cable companies that comprise the Round 3 defendants) sought reconsideration of the Court's construction of "transmission system," and, in fact, none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "transmission system."

In Markman II, the Court let its previous definition stand:

> The Court lets stand its previous definition of "transmission system" to mean an assembly of elements, hardware and software, that function together to convert items of information for storage in a computer compatible form and subsequent transmission to a reception system."

(Markman II, at 3:11-14).

The Round 3 defendants seek reconsideration of the Court's construction of the term "transmission system" and therefore the Round 3 defendants bear the burden of proving that the Court's construction, which was the result of copious briefing and argument in two Markman hearings, was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to substitute its construction for "transmission system" with a construction which limits the "transmission system" in every claim to only the system exactly as depicted in Figures 2a and 2b. The Court's construction correctly contains none of these limitations. The Round 3 defendants' construction, however, would *violate* every relevant claim construction canon:

- The Round 3 defendants' proposed construction would improperly add numerous limitations to the claims that patentees chose to exclude from the claims. *See, Resonate,* 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas,* 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Mantech*, 152 F.3d at 1374 ("If the written description supports the definition of the term that is apparent from the claim limitation, then reading in a further limiting definition would be improper.")

- The Round 3 defendants' proposed construction would improperly import a preferred embodiment from the specification into the claims. *Electro Med*, 34 F.3d at 1054; *Laitram*, 863 F.2d at 865 ("References to the preferred embodiment, such as those often present in a specification, are not claim limitations."); *Texas Instruments,* 805 F.2d at 1563 ("This court has cautioned against limiting the claimed invention to preferred embodiments or specific examples in the specification.")

- The Round 3 defendants' proposed construction would improperly limit the claims to the embodiment depicted in Figures 2a and 2b. *See, Prima Tek II*, 318 F.3d at 1148-49 ("Similarly, the mere fact that the patent drawings depict a particular embodiment of the patent does not operate to limit the claims to that specific configuration.")

- The Round 3 defendants' proposed construction would be inconsistent with the specification, which states that the transmission system shown in Figures 2a and 2b need only include some of the elements shown in Figures 2a and 2b. ('992 patent, 5:63-65). *See, Renishaw*, 158 F.3d at 1250 ("The construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be, in the end, the correct construction."); *Medrad,* 401 F.3d at1319 ("We cannot look at the ordinary meaning of the term … in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history."); *Standard Oil*, 774 F.2d at 452 ("the descriptive part of the specification aids in ascertaining the scope and meaning of the claims inasmuch as the words of the claims must be based on the description. The specification is, thus, the primary basis for construing the claims."); *Merck*, 347 F.3d at 1371 ("A fundamental rule of claim construction is that terms in a patent document are construed with the meaning with which they are presented in the patent document. Thus claims must be construed so as to be consistent with the specification, of which they are a part.")

- The Round 3 defendants' proposed construction would eliminate the need for claims. *SRI International*, 775 F.2d at 1121 ("'[T[hat claims are interpreted in light of the specification does not mean that everything expressed in the specification must be read into all the claims.' *Raytheon Corp. v. Roper Corp.*, 724 F.2d at 957, 220 U.S.P.Q. at 597. If everything in the specification were required to be read into the claims, or if structural claims were to be limited to devices operated precisely as a specification-described embodiment is operated, there would be no need for claims. Nor could an applicant, regardless of the prior art, claim more broadly than that embodiment.").

- The Round 3 defendants' proposed construction would be inconsistent with the context of the claims that use the term "transmission system." For instance, claim 41 of the '992 patent is a method claim and none of the method steps recite any specific structure for performing any particular step. Thus, none of the steps are limited to any particular structure. *See*, *Epcon Gas Systems*, 279 F.3d at 1032 ("The method of claim 2 does not mention structure by which the 'venting' is to be performed. Thus, Epcon is correct that the district court improperly imported language from the specification into the claim.")

    - Other method claims, such as claim 19 of the '992 patent, only recite that the transmission system stores compressed information, receives requests, and sends information; none of the other functions or structures of the transmission system of Figures 2a and 2b (such as the source material library, converter, time encoders, or compressors or their functions) are recited in these claims. Claim 25 of the '992 patent requires a transmission system and a source material library, but does not recite other structure of the transmission system and does not require that the compressed, formatted information be sequenced or ordered, meaning that there is no requirement that the transmission system include a time encoder. The transmission system in these claims therefore cannot be limited to the transmission system exactly as depicted in Figures 2a and 2b.

- o System claims, such as claim 1 of the '992 patent, which specifically claim "[a] transmission system, … comprising," would not make any sense if the Round 3 defendants' construction for "transmission system" is adopted by the Court. "The same terms appearing in different claims in the same patent … should have the same meaning." *See, Wilson Sporting Goods,* 442 F.3d at 1327. Thus, if the Court adopts the Round 3 defendants' construction for "transmission system," then, presumably, each of the "means plus function" elements in claim 1 of the '992 patent would have a definite structure which would be provided in the definition of "transmission system" itself. It would also eliminate the need for defendant claims and therefore would violate the doctrine of claim differentiation.

- The Round 3 defendants' proposed construction would be inconsistent with the Court's ruling that the term "sequence encoder" is not the "time encoder." The term "transmission system" appears in all of the claims of the '702 patent. In its proposed construction for the "transmission system," the Round 3 defendants contend that the "transmission system" includes a "time encoder." Claims 1-26 and 32 and 33 of the '702 patent require that the "transmission system" include a "sequence encoder." All of the other defendants contended that the "sequence encoder" cannot be limited to the time encoder, and the Court agreed with all of the other defendants. If the Court adopts the Round 3 defendants' construction for "transmission system," then the transmission system in the '702 patent claims would include a "time encoder" and the term "sequence encoder" would no longer be indefinite. Acacia contends that the "sequence encoder" in the claims of the '702 patent is the "time encoder," but for other reasons.

23. "Reception System" ('275 Patent, Claims 2 and 5)

Acacia	The term "reception system" has already been construed by the Court in the context of the claims of the '702 patent to mean "an assembly of elements,

	hardware and software, that function together to receive items of information." In addition to the Court's construction, as used in claims 2 and 5 of the '275 patent, the reception system also stores and plays back information. "Play back" is the process of providing signals comprising video and/or audio information, wherein the signals can be displayed and/or heard on a device, such as an audio amplifier and/or television, or recorded. In addition to the Court's construction, as used in claim 4 of the '720 patent, the reception system also stores and transmits audio/video information.
Round 3 Defendants	A "reception system" is a system which receives information, either electronically or optically, directly from a transmission system.

The term "reception system" appears in claims 2 and 5 of the '275 patent, claim 4 of the '720 patent, and all of the claims of the '702 patent. The Court construed the term "reception system" in Markman I in the context of the claims of the '702 patent:

> The Court construes "reception system" to mean "an assembly of elements, hardware and software, capable of functioning together to receive items of information."

(Markman I, at 28:21-22).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

The Round 3 defendants seek reconsideration of the Court's construction of the term "reception system" and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants seek to *add* limitations to the Court's construction of "reception system" specifically to add that the "reception system": (1) receives information electronically or optically, and (2) receives information *directly* from a transmission system.

The Court should not construe the term "reception system" to include a limitation as to how the information is received by the transmission system, i.e., electronically or optically. These are extraneous limitations, which are unnecessary to the construction of the term "reception system." *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

The Court should also not construe the term "reception system" to include the limitations that the reception system receives the information *directly* from a transmission system. Again, this is an extraneous limitation that is unnecessary to construe the term "reception system." *Hoganas,* 9 F.3d at 950. Receiving information directly from a transmission system is not a requirement of the claims or the specification. The *Resonate* case is on point. In *Resonate*, the Federal Circuit refused to add limitations to the phrase "transmitting the requested resource to the client" that would require that the transmission only travel over a certain transmission path, because the claims did not specify any particular transmission path. *Resonate*, 338 F.3d at 1365 ("The patentee's apparent choice not to specify a transmission path from the server to the client led the district court to add a limitation that the requested resource be transmitted directly to the client.… Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error.")

Here, neither claims 2 and 5 of the '275 patent, claim 4 of the '720 patent, nor any of the claims of the '702 patent specify any transmission path for the information and they certainly do not specify that the information is transmitted to the "reception system" *directly* from a transmission system. Such a limitation is not required or even described in the specification, and therefore it would be legal error for the Court to add this limitation to the meaning of the term "reception system."

24. "Storing Items Having Information in a Source Material Library" ('992 Patent, Claim 41)

Acacia	The phrase "storing items having information in a source material library" has already been construed to mean "adding items having information to a collection of existing materials." Acacia contends that this phrase should be construed as "adding items having information to a collection of existing materials and maintaining the items having information in the collection."
ROUND 3 DEFENDANTS	A "source material library" is a device which i) stores different types of physical objects containing information, including but not limited to audio recordings, still pictures, files of documents, books, computer tapes, computer disks, documents of various sorts, musical instruments, and other physical objects; and ii) is capable of automatically transferring a physical item containing information to an identification encoder in response to an electronically-received request which identifies the physical item containing information. A source material library must be capable of performing this function with physical items of any of the media types described in (i) above. "Storing items" means "adding physical objects to an existing collection."

The phrase "storing items having information in a source material library" appears only in claim 41 of the '992 patent. The Court construed this phrase in Markman I:

> In the transmission system described in claim 41 of the '992 patent, the Court construes the phrase "storing items having information in a source material library" to mean "adding items having information to a collection of existing materials."

(Markman I, at 25:16-18).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "storing items having information in a source material library" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

Acacia asks the Court to make one revision to its construction of this phrase. In its construction, the Court limited the term "storing" to mean only "adding." The term "storing" should be construed to mean both "adding" and "maintaining" and therefore the Court construction should be modified to read as follows: "adding items having information to a collection of existing materials and maintaining the items having information in the collection." This is consistent with the specification, which uses the term "storing" to connote that the items having information are temporarily maintained in the source material library:

> Transmission system 100 of a preferred embodiment of the present invention preferably includes source material library means for *temporary storage* of items prior to conversion and storage in a compressed data library means.

('992 patent, 5:66-6:2).

This is also consistent with the ordinary meaning of the term "storing," which in addition to the act of "adding," includes the act of "maintaining:" "to leave or deposit in a store, warehouse or other place for keeping, preservation, or disposal." (*Webster's*). (See Block Decl. Ex. 8).

The Round 3 defendants seek reconsideration of the Court's construction of the term "source material library" therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to abandon its construction of "source material library" in favor of a new construction which limits the "source material library" to a specific device, which performs the additional functions (not stated in the claims) of: (1) storing different types of physical objects, and (2) being capable of automatically transferring a physical item in response to an electronically received request which identifies the physical item.

Again, the Round 3 defendants are inviting the Court to violate many claim construction canons. Claim 41, in which this phrase appears, does not include any limitations that the source material library must store *multiple different types* of physical objects; it merely says that "items having information" are stored and defendants do not contend that "items having information" refers to multiple different types of items. *See, Resonate*, 338 F.3d at 1365 ("Courts may not rewrite claim language based on what has been omitted from the claim, and the district court's attempt to do so here was legal error."); *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim."); *Transmatic*, 53 F.3d at 1278 ("[T]he district court erred by importing unnecessary functional limitations into the claim. The court limited claim 1 to a lighting fixture configured to be attached to a vehicle by horizontal and vertical walls; however, the claim contains no limitations concerning how the device may be attached to a vehicle."); *Prima Tek II*, 318 F.3d at 1149 ("Neither the phrase 'inserted into' nor 'inserted through' appears in any of the asserted claims.").

The Round 3 defendants are improperly attempting to add this limitation from the specification, which itself does *not* even require that the source material library store multiple different types of items: "The source material library 111 *may* include different types of materials. . ." ('992 patent, 6:10-11; emphasis added). The Court should not add a limitation to the meaning of "source material library," when the alleged limitation is not even a limitation of the specification.

Neither claim 41 nor the specification include any limitation or description that the source material library be "capable of automatically transferring a physical item in response to an electronically received request which identifies the physical item." The Court therefore cannot add this limitation to the claim. *See, Hoganas*, 9 F.3d at 950.

25. "Items Containing (or Having) Information" ('992 Patent, Claims 19 and 41; '275 Patent, Claims 2 and 5; '863 Patent, Claims 14 and 17)

Acacia	The phrase "items containing (or having) information" has already been construed by the Court to mean "items containing information in analog or digital form." The term "item" means "thing" and therefore the Court's construction means "things containing information in analog or digital form."
Round 3 Defendants	"Items having information" are physical objects containing information.

The phrase "items containing (or having) information" appears in claims 19 and 41 of the '992 patent, claims 2 and 5 of the '275 patent, and claims 14 and 17 of the '863 patent. In Markman I, the Court construed the phrase "items containing information":

> The Court construed the term "items containing information" to mean "items containing information in analog or digital form."

(Markman I, at 11:6-7).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "items containing information" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "items containing information."

The Round 3 defendants contend, as have the Rounds 1 and 2 defendants, that the term "items" in this phrase requires construction such that the meaning of the phrase shall be limited to physical objects only. As Acacia discussed in the briefing recently completed on the '992 and '275 patent claim terms and in Section No. 1.b. above, the term "item" is not limited to "physical objects," but rather includes non-physical objects, such as computer files, which may reside on physical objects. (*See,* Acacia's '992/'275 Patent Opening Brief, at 16-20; Acacia's '992/'275 Patent Reply, at 20-22; '992 patent, 5:66-6:22). Acacia reserves the right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

26. "Remote Locations" ('992 Patent, Claim 41)

Acacia	The term "remote locations," as used in claim 41, has already been construed by the Court to mean "positions or sites distant in space from the transmission system."
Round 3 Defendants	"Remote location" means: positions or sites distant in space from both the transmission system and from any other remote location.

The Round 3 defendants seek reconsideration of the construction for the term "remote locations" in claim 41 of the '992 patent. The Court construed the term "remote locations" in Markman I in the context of claim 41 of the '992 patent:

> Therefore, the Court finds "remote locations" to have its ordinary meaning "positions or sites distant in space from some identified place or places." In claims 1 and 41 of the '992 patent, the term "remote locations" means "positions or sites distant in space from the transmission system."

(Markman I, at 7:20-23).

In Markman II, the Round 2 defendants sought reconsideration of the construction of "remote locations," but the Court let stand its previous definition:

> "Remote locations" was defined in the previous order as part '992 patent claim construction. The Court includes the construction for the '992 patent in the '702 patent claim construction with its justification outlined in the previous order. The term "remote locations" means positions or sites distant in space from some identified place or places.

(Markman II, at 4:1-5).

The Round 3 defendants contend that the term "remote locations" means "positions or sites distant in space from ***both*** the transmission system ***and from any other remote location.***" None of the Rounds 1 and 2 defendants raised this in either Markman I or Markman II. In Markman I, the Court found that, in the context of claims 1 and 41 of the '992 patent, the remote locations are locations that are remote from the transmission system; the Court did not find that each remote location is remote from any other remote location:

> The Court finds that the ordinary meaning of the term "remote locations" is "positions or sites distant in space from some identified place." In the context of claims 1 and 41, the ordinary meaning of the term is "positions or sites distant in space from the transmission system." In the context of claim 1 the term "remote locations" is described in relation to the transmission system in the preamble that recites "[a] transmission system for providing information to be transmitted to remote locations. . ." Similarly, in claim 41 the "remote locations" are sites remote from the transmission system to which at least a portion of the file is sent.

(Markman I, at 4:16-22).

There is nothing in the term "remote location" which indicates that the remote location must be remote from both the transmission system and from any other remote location. Yet again, the Round 3 defendants are seeking to add limitations to a claim term that do not exist in that term. *See, Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

27. "Retrieving the Information in the Items from the Source Material Library" ('992 Patent, Claim 41)

Acacia	The phrase "retrieving the information in the items from the library means" has already been construed by the Court to mean "to get back the information that is contained in the items which are stored in the source material library." The term "source material library" has already been construed by the Court to mean "a collection of existing materials."
Round 3 Defendants	An electronically transmitted request, which identifies the physical object containing information, is sent to the source material library. This request causes the source material library to automatically transfer the physical object to the identification encoder, which extracts the information from the physical object.

The phrase "retrieving the information in the items from the source material library" appears in claim 41 of the '992 patent. In Markman I, the Court construed the similar phrase from claim 1, "retrieving the information in the items from the library means":

> The Court gives the term "retrieve" its ordinary meaning – "to get something back." In this case, the function of the identification encoding means is to get back the information that is contained in the items which are stored in the source material library.

(Markman I, at 13:3-6).

The Court also construed the term "source material library" to mean "a collection of existing materials" in the context of construing the phrase "storing items having information in a source material library":

> In the transmission system described in claim 41 of the '992 patent, the Court construes the phrase "storing items having information in a source material library" to mean "adding items having information to *a collection of existing materials*."

(Markman I, at 25:16-18; emphasis added).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "reception system" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for "reception system."

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants contend that "retrieving" includes the limitations of: (1) an electronically transmitted request, (2) which identifies the physical object, (3) is sent to the source material library, (4) which causes the source material library to automatically transfer the physical item to the identification encoder. None of these limitations are contained in the phrase "retrieving the information in the items from the source material library." None of these limitations are even included in the specification. There is no legal basis therefore to interpret this phrase to include these additional limitations. *See*, *Hoganas*, 9 F.3d at 950 ("It is improper for a court to add 'extraneous' limitations to a claim, that is, limitations added 'wholly apart from any need to interpret what the patentee meant by particular words or phrases in the claim.")

28. "Assigning a Unique Identification Code to the Retrieved Information" ('992 Patent, Claim 41)

Acacia	The phrase "assigning a unique identification code to the retrieved information" has already been construed by the Court to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes."
Round 3 Defendants	"Assigning a unique identification code to the retrieved information" means "assigning a one-of-a-kind identifier to the information received from an item that identifies the retrieved information through the conversion, ordering, compression, and storing process." This step must be performed by an identification encoder, and the identification encoder must also transform the information in the items into an analog or digital format.

The phrase "assigning a unique identification code to the retrieved information" appears only in claim 41 of the '992 patent, although the similar phrase "assigning a unique identification code to the item having information" appears in claims 14 and 17 of the '863 patent.

In Markman I, the Court construed the phrase "assigning a unique identification code to the retrieved information":

> Accordingly, the Court construed the function "assigning a unique identification code to the retrieved information" to mean "assigning a one-of-a-kind identifier to the information retrieved from an item that identifies the retrieved information through the conversion, ordering, compression, and storing processes.

(Markman I, at 14:14-17).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "assigning a unique identification code to the retrieved information" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to include the limitation that the "assigning a unique identification code" step of claim 41 of the '992 patent must be performed by an identification encoder and the identification encoder must also transform the information in the items into an analog or digital format. Acacia discussed the reasons why such a construction would be improper in Section No. 3, above.

29. "Placing the Formatted Data into a Sequence of Addressable Data Blocks" ('992 Patent, Claim 41)

Acacia	The phrase "placing the formatted data into a sequence of addressable data blocks" has already been construed by the Court to mean the act of time encoding the formatted data blocks.
Round 3 Defendants	"Addressable" means that the storage location for each data block is known so that the transmission system can retrieve any individual data block by using its storage location. A "data block" is a unit of information consisting of identification codes, data and error-checking codes. A "sequence" is an order. A "sequence of addressable data blocks" means an order of units of information (consisting of identification codes, data and error-checking codes) for which the storage location of each unit of information is known so that the transmission system can retrieve any individual unit of information by using its storage location.

The phrase "placing the formatted data into a sequence of addressable data blocks" appears in claim 41 of the '992 patent.

In Markman I, the Court construed the phrase from claim 1 of the '992 patent "ordering means for placing the formatted data into a sequence of addressable data blocks" to mean the "time encoder (114)":

> Pursuant to § 112, ¶ 6, the "ordering means, coupled to the conversion means" limitation of claim 1 of the '992 patent recites the function of "placing items[14] into a sequence of addressable data blocks."

(Markman I, at 22:16-21).

The Court further construed the phrase "placing the formatted data into a sequence of addressable data blocks" from claim 41 of the '992 patent:

> In light of the Court's construction of the term "ordering means," the phrase "placing the formatted data into a sequence of addressable data blocks" does not require construction.

(Markman I, at 23:3-6).

Thus, because the Court construed the phrase "ordering means, coupled to the conversion means, for placing the formatted data into a sequence of addressable data blocks" to mean the time encoder (114), the Court construed the function of the ordering means – "placing the formatted data into a sequence of addressable data block" – to mean the act of placing formatted data into a time encoded data blocks. This is the stated function of the time encoder (114) in the specification: "The sequence of addressable data blocks which was time encoded and output by time encoder 114 is preferably sent to precompression processor 115." ('992 patent, 8:59-62).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of "placing the formatted data into a sequence of addressable data blocks" and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of the term "sequence of addressable data blocks" and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

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[14] The Court's quote of the claim language includes a typographical error; claim 1 states: "ordering means, coupled to the conversion means, for placing the *formatted data* into a sequence of addressable data blocks."

The Round 3 defendants ask the Court to scrap its construction of "sequence of addressable data blocks" and find instead that "sequence of addressable data blocks" means "an order of units of information (consisting of identification codes, data and error-checking codes) for which the storage location of each unit of information is known so that the transmission system can retrieve any individual unit of information by using its storage location." The Court's construction is proper; the Round 3 defendants are inviting the Court to commit legal error:

- The Round 3 defendants' proposed construction of "addressable" to mean a "storage location" would improperly ***exclude*** time encoding as the addressing scheme. The patentees described time encoding in the specification as being the preferred addressing scheme: "[t]he preferred addressing scheme employs time encoding.… Time encoding by time encoder 114 makes items and subsets of items retrievable and addressable throughout the transmission system." ('992 patent, 8:1-2 and 8:50-53). The Court in this case cannot construe "sequence of addressable data blocks" to exclude the preferred addressing scheme:

> Therefore, in order to be consistent with the specification and preferred embodiment described therein, claim 1 must be construed such that the term "solder reflow temperature" means the peak reflow temperature, rather than the liquidus temperature. Indeed, if "solder reflow temperature" were defined to mean liquidus temperature, a preferred (and indeed only) embodiment in the specification would not fall within the scope of the patent claim. Such an interpretation is rarely, if ever, correct and would require highly persuasive evidentiary support, which is wholly absent in this case. *See Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 1550, 37 USPQ2d 1609, 1612 (Fed. Cir. 1996); *see also Hoechst*, 78 F.3d at 1581, 38 USPQ2d at 1130 ("We share the district court's view that it is unlikely that an inventor would define the invention in a way that excluded the preferred embodiment, or that persons of skill in this field would read the specification in such a way.").

Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1583-84 (Fed. Cir. 1996).

- The Round 3 defendants' proposed construction would be improper, because it would eliminate the benefits provided by having time encoding as the addressing scheme; a location in memory does not provide any of these benefits:

> Time encoding allows realignment of the audio and video information in the compressed data formatting section 117 after separate audio and video compression processing by precompression processor 115 and compressor 116.… Realignment of audio and video data, system addressing of particular data bytes, and user addressing of particular portions of items are all made possible through time encoding."

('992 patent, 8:2-6; 8:20-24).

- The term "addressable" in the phrase "sequence of addressable data blocks" does not refer to a location in memory. The specification teaches persons of ordinary skill in the art that time encoding is an addressing scheme and teaches that time encoding makes subsets of items addressable:

> Realignment of audio and video data, system addressing of particular data bytes, and user *addressing* of particular portions of items are all made possible through time encoding. . . Time encoding by time encoder 114 makes items and subsets of items retrievable and *addressable* throughout the transmission system."

('992 patent, 8:20-24 and 8:51-53; emphasis added).

In other words, a user can locate a particular portion of a movie using time encoding, because time encoding makes subsets of items addressable.

- The Round 3 defendants' proposed construction for "data block" is inconsistent with the specification. Nowhere does the specification state that the data blocks referred to in the phrase "sequence of addressable data blocks" consist only of identification codes, data and error checking codes. The specification states that the data blocks in the phrase "sequence of addressable data blocks" are frames of video data and samples of audio data, which are depicted in Figures 8a and 8b:

> The converted formatted information of the requested material is then preferably in the form of a series of digital data bytes which represent *frames of video data and samples of the audio data*. A preferred relationship of the audio and video bytes to each other is shown in FIG. 8. Incoming signals are input and converted in sequence, *starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data*. Time encoding by time encoder 114 is achieved by assigning relative time markers to *the audio and video data* as it passes from the converter 113 through the time encoder 114 to the precompression processor 115.
>
> * * *
>
> FIG. 8a shows the *block structure of video data* where a video frame 812 is composed of a plurality of video samples 811, and a second of video 813 is composed of a plurality of video frames 812.
>
> FIG. 8b shows the *block structure of audio data* where an audio data frame 822 is composed of a plurality of audio sample 821, and a second of audio 823 is composed of a plurality of audio data frames 822.

('992 patent, 8:7-16 and 19:39-47; emphasis added).

- The Round 3 defendants' proposed construction for "sequence of addressable data blocks" would be inconsistent with the Court's construction for "ordering means." The Court previously construed the "ordering means for placing the formatted data into a sequence of addressable data blocks" of claim 1 of the '992 patent as a "time encoder." The specification makes clear that the time encoder 114 is the structure for performing the function of placing the formatted data into sequence of addressable data blocks:

> The processing also preferably includes placing the retrieved information into a predetermined format as formatted data by converter 113 (step 413b), and placing the formatted data into a sequence of addressable data blocks by *ordering means 114* (step 413c).

('992 patent, 18:68 – 19:4; emphasis added).

Reference No. 114 is the time encoder: "After the retrieved information is converted and formatted by the converter 113, the information may be time encoded by *time encoder 114*." ('992 patent, 7:64-66; Figure 2a).

- The Round 3 defendants' proposed construction for "sequence of addressable data blocks" would be inconsistent with the Round 3 defendants' construction for "transmission system." The Round 3 defendants seek reconsideration of the term "transmission system" and ask the Court to construe the "transmission system" as including a "time encoder." In claim 41, the step of "placing the formatted data into a sequence of addressable data blocks" is performed by a transmission system, and if performed by the transmission system proposed by the Round 3 defendants, this step must be performed by the time encoder. A time encoder, however, would not create the type of "sequence of addressable data blocks," as construed by the Round 3 defendants, because, among other things, the time encoder does not assign memory locations to the data blocks.

30. "Storing, as a File, the Compressed, Formatted, and Sequenced Data With the Assigned Unique Identification Code" ('992 Patent, Claim 41)

Acacia	The phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code" has already been construed by the Court to mean "storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code."

Round 3 Defendants	"storing, in a single file, both (1) the compressed, formatted, and sequenced data; and (2) the unique identification code assigned to (1).

The phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code" appears in claim 41 of the '992 patent and claim 14 of the '863 patent.

In Markman I, the Court construed this phrase:

> The Court construes the phrase "storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code" to mean "storing, as a file, the compressed, formatted, and sequenced data blocks accompanied by its unique identification code."

(Markman I, at 26:5-8).

No party, including the Rounds 1 and 2 defendants, sought reconsideration of the Court's construction of the phrase "storing, as a file, the compressed, formatted, and sequenced data with the assigned unique identification code," and thus none of the Rounds 1 and 2 defendants contended that there was anything incorrect or should be changed about the Court's construction for this phrase.

The Round 3 defendants seek reconsideration of the Court's construction of this phrase and therefore the Round 3 defendants bear the burden of proving that the Court's construction was incorrect and that their proposed construction is instead correct. The Round 3 defendants, however, will not be providing the Court or Acacia with their specific contentions until they file their legal brief on August 11. Thus, Acacia reserves its right to address the Round 3 defendants' specific contentions in Acacia's reply brief.

The Round 3 defendants ask the Court to add the limitation to its construction that the unique identification code assigned to the compressed, formatted and sequenced data blocks is stored in the file. This limitation is not contained in the phrase "storing, as a fill, the compressed, formatted, and sequence data with the unique identification code" and the Court correctly did not include this limitation in its construction.

There is no requirement in the specification that the unique identification code is included in the file. The specification states that the file includes certain items, but specifically excludes the unique identification code from the file. The specification further states that the file is *addressable* using the unique identification code assigned to the data (it does not say that the unique identification code is stored in the file):

> The file may contain the compressed audio and/or video data, time markers, and the program notes. *The file is addressable through the unique identification code* assigned to the data by the identification encoder 112.
>
> * * *
>
> As described in more detail later, *a user may preferably access an item via its unique identification code*, via its title, or the user may use other known facts for accessing an item.

('992 patent, 10:26-30; 11:22-25).

There is no legal basis therefore to interpret the "storing as a file" phrase to include the limitation that the unique identification code be stored within the file as this would be inconsistent with the claim language and within the specification. See, *Renishaw*, 158 F.3d at 1250; *Medrad*, 401 F.3d at 1319; *Standard Oil*, 774 F.2d at 452; *Merck*, 347 F.3d at 452.

VIII. CONCLUSION

For the foregoing reasons, Acacia respectfully requests that the Court adopt Acacia's proposed constructions for the terms of claims 14-19 of the '863 patent and claims 4, 7, 8, and 11 of the '720 patent and that the Court let stand its previous constructions for the phrases of the '992 patent for which the Round 3 defendants seek reconsideration.

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